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**THE FASCIST GOVERNMENT  
OF ITALY**

**THE GOVERNMENTS OF MODERN EUROPE**

**THE GOVERNMENT OF SWITZERLAND**

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**THE GOVERNMENT OF THE FRENCH REPUBLIC**

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**THE FASCIST GOVERNMENT OF ITALY**

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UNIFORM WITH THIS VOLUME  
AS TO  
OUTLINE, FORMAT AND PRICE

THE  
FASCIST GOVERNMENT  
OF ITALY

HERBERT W SCHNEIDER



NEW YORK  
D VAN NOSTRAND COMPANY, INC  
250 FOURTH AVENUE  
1936

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PRINTED IN THE UNITED STATES OF AMERICA  
BY J J LITTLE AND IVES COMPANY NEW YORK

*A danger threatens the Regime a danger that is usually called the "bourgeois spirit," the spirit of satisfaction and accommodation, the tendency toward scepticism and compromise, the love of ease and a career*      *The fascist creed is heroism, the bourgeois creed, egotism*  
*Against this danger there is but one remedy the principle of continuous revolution*

—MUSSOLINI, March 19, 1934





## P R E F A C E

Inasmuch as this book is intended primarily for the use of young students, who approach political science with innocent enthusiasm and conventional deference, I may be permitted a note of warning about this text, about the art of politics in general, and about fascist government in particular. The American college student, to whom I address myself, will find here a brief analysis of the structure and operation of the Italian state as it exists today. The reader who seeks a judgment on fascism in general will find more reasons for pause than conclusions to quote. This is not a book about fascism nor about Italy, it is confined to the description of how fascism is working in Italy at present. Hence it attempts neither a portrait of Italian culture nor a history of fascism, it contains, however, the elementary information required to estimate the extent to which fascism has worked a revolution in Italian politics.

The beginner in political science will do well to suppress for the moment those generous sentiments and noble phrases that animate him as a young citizen of more education than experience, and, fixing his attention on the ways in which some men govern others, learn to appreciate the art of the professional governor, statesman, politician, or leader. Politicians, and in a more pretentious way professors of politics, talk incessantly about the state, each explaining how his particular brand is much better than others and each succeeding in selling his wares to a grudging

ing but benevolent public Politics has always been three parts rhetoric and one part business The rhetoric consists in pretending that governments are masters, that citizenship is the basis of morality, and that public affairs serve a general interest, the business consists largely in collecting and spending as many taxes as possible without being thrown out of office This business is constant, the rhetoric variable It is important, therefore, to look beyond the artistry of the politician's rhetoric, which captivates professors, and to study the art by which he persuades his fellow-citizens to give him on the average from ten to thirty per cent of their income Men of business are persuaded to such acts not by words but by the services they anticipate These services are never so great as they seem to the public servant The simplest evidence for this is that when a man is asked to pay more than about thirty per cent of his income in taxes he revolts, unless he is rich and is willing to pay much for much protection The technical phrase for this situation is that the state has limited resources in spite of its sovereignty because of its limited power in the face of other pressure groups For this reason affairs of state are after all a small percentage of a man's affairs, and a citizen's ruler is himself ruled by forces of which he is at best a public servant and at worst a secret tool Not unless all men, like statesmen, received their whole income from the state could the government collect more than a relatively small percentage of it, and probably not even then The aim of any government that lives on taxation must be to increase the number of taxpayers and decrease the number of those who are dependent on them This elementary wisdom causes all governments, except when they lose sight of their own interest, to look very much alike when seen by a disinter-

ested spectator at a slight distance Governments before and after they succeed one another are in the habit of proclaiming their reforms and revolutions, but on the whole they manage to carry on the unfinished business bequeathed to them by those whom they have so ceremoniously supplanted and to leave similar unfinished business when their turn comes to feel the perennial ingratitude of man toward his tax-collectors

The fascist state, which by any other name would as naturally please a young man's fancy, is no exception to this rule The inexperienced reader is therefore cautioned against believing that the totalitarian state implies that the government rules everything In the perspective of the totality of Italian affairs, the acts of the government are incidental, occasional, possibly crucial, but never all-inclusive It is not only the Italian politician whose claims outrun his performance But a dictator especially must be popular and can govern only because he knows how to be governed Being responsible for all but to none, he must satisfy as many as possible

Every government, when it claims divine honors or moral authority, takes itself too seriously, for since no people is merely a state, no government can long be unpopular A government is dependent on those who support it and can hope to do little more than take money from those whom it can afford to tax and give it to those whose favor it must court And in the last analysis circumstance, not political science, determines who is the ruling class, who the taxpayer, and who the beneficiary The power to coerce others is, after all, not brute force or physical energy, it is a form of social, human compulsion Even the army contains at least as many human beings as guns, and soldiers are never pure mechanical force, their

power depends at least in part on their morale. In short, the power of the state is limited not only because, as Talleyrand put it, "one can not sit on bayonets," but because, to change the figure, a "governor" is an incidental though essential mechanism in any engine. The engine does not exist to be governed, nor is the state more than a means to an end in the affairs of a people. Whether authority comes from above or below, or whether it does not come at all but is made to order, as current theories assert, authority is sheer pomp unless it have power. And power comes not from authority but from the nature of things, from that universal machinery in which man himself is caught or willingly runs his round.

H W S

*Rome, January 1936*

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## CHAPTER I

### ITALY AND THE ITALIANS

#### 1 *Italy*

Whether Italy is the home of Italians or Italians are the product of Italy, whether the land made the people or the people the land, is a much debated but now academic question. No doubt even in ancient times there were more than geographic reasons for calling the *Latins*, *Samnites*, *Umbri*, and other tribes south of the Rubicon, *Italics*, and no doubt the unification of these peoples under Rome was an amalgamation, not a mere subjugation. Certainly Petrarch's classic definition of Italy,

*il bel paese*

*che Appennin parte, il mar circonda e l'Alpe,*

though strictly geographic, is nevertheless witness to that sense of nationality which ever since the twelfth century has found increasing expression. It was under the influence of the Renaissance that Villani began writing Italian history as the history of Italy and succeeded, with the other great Tuscan writers, in giving to the whole peninsula the literary language that nourished the growing national culture. By the time Napoleon created the "Kingdom of Italy" he was using something more than a "geographic expression," as the events of the nineteenth century proved. There can be no doubt, therefore, that the Italians existed as a people long before they even dreamed of



having a national state Their common culture and their intense love of their country were, in fact, until recently quite independent of national politics Hence the brief span of the present Kingdom is no adequate measure of the common heritage and experience of the Italian people

From the earliest times the Italians have been a mixture of races, and successive invasions have added so many strains to their blood that there is no danger of a racial theory of Italian nationality In physical characteristics they differ widely, from the tall, red haired types found in Lombardy and Venetia and the Celts of Romagna, to the Mediterranean type prevailing in the South When Italians pride themselves, therefore, they speak not of the purity of their blood but, on the contrary, of their power to absorb or, as they would put it, civilize whatever nationalities touch their soil or their culture Italy, despite the many foreigners who have governed it in the past and who continue to romp over it as tourists, is inhabited to an amazing degree by Italians Of the forty two million inhabitants of Italy only a little over 2 per cent are foreigners, and these are largely accounted for by the territorial gains of the War, bringing in about one-quarter million Germans and one-half million Slavs The government has lost no time in attempting to Italianize even these, and, unless other circumstances intervene, within a few generations they too may be bona fide Italians

If we turn from the present political boundaries of Italy and seek the "natural" boundaries of the Italians, we can find no sharp line, not only because the population is genuinely mixed in certain areas such as the eastern Alps, Dalmatia, Nice, Tunis, and Malta, but also because it is not possible to distinguish precisely between a French-

man and an Italian (as in Corsica and the upper valley of Aosta), or between a Swiss and an Italian (as in southern Switzerland) Italian nationalists, in addition to these arguments based on geography or language, assume pragmatically that any area that will probably become more Italian than it is now, is *Italia irredenta*. And the imperialists see the Italy of tomorrow in the light of ancient Rome and modern Great Britain. There is a current fascist saying that "Rome has never recognized boundaries." With ambition and labor to spare, with an expanding population, with a resurgence of the romantic enthusiasm of the Risorgimento, young Italy is to make a new Rome. Rome is again to be the dominator of the Mediterranean, controlling the economic development and political policies of the Mediterranean basin and bringing the light of an ancient culture to certain dark corners of northern Africa as it is now bringing it to the even more ancient islands of Rhodes and the Dodecanese. "See to it," said Mussolini to the school children of Milan in November 1926, "that the twentieth century sees Rome the center of Latin civilization, the dominator of the Mediterranean, a torch for all mankind." Even beyond the literal Italian empire, the interests of Italy extend to those ten million Italian emigrants who have laid the foundations of Italian "proletarian imperialism" and whose communities on all continents are remembered at home with pride (and perhaps irony) as "the *free* colonies of the nation" <sup>1</sup>

The real Italy, in short, is not merely a well-bounded state but a heritage and an enterprise, and the student of Italian political affairs, if he robs them of their ambi-

<sup>1</sup> An oft-quoted phrase of A. Vecchi

tion, their passion, and their rhetoric, is in danger of robbing them of their life as well

## 2 *Regional differences*

Among strangers Italians are so obviously Italian that the foreign observer can not appreciate the extent to which among themselves they are Venetians, Tuscans, Neapolitans, Sicilians, etc. And after what has just been said about Italian nationality, the famous words of Massimo d'Azeglio in 1860, "having made Italy, we must now make Italians," seem paradoxical indeed. But Italian statesmen from Mazzini's time (or Dante's, for that matter) to Mussolini's have been keenly aware of the difficulty of overcoming local obstacles to national policy, and much of what to foreigners must seem sheer romanticism and rhetoric in the literature of the Risorgimento, as of fascism, is in reality a desperate effort to reach the imaginations and emotions of both peasants and proprietors whose interests are as provincial as is their speech, and to overcome the political passions of townsmen, whose factional leaders embroil them continually in petty rivalries. In fact, it is hardly an exaggeration to say that the national government has continually been the slave of local leaders. Italian democratic politics was the art of manipulating local patronage. To reverse this, to make local politics subject to the national bureaucracy, is therefore no superficial enterprise.

Leaving aside, as beyond the scope of this description, the political history of the various Regions, we may call attention to some of the differences as they exist at present. There are, first of all, the Regions of the Po valley, Piedmont, Lombardy, Emilia, and lower Venetia. These are the richest and most highly developed Regions of the

country What heavy industry Italy has is largely centered about Turin and Milan, but even more important is the industrialized agriculture that characterizes the whole valley and in which both private and public capital are extensively invested Here political as well as economic life is most differentiated Piedmont, being most closely related to France, became one of the Italian headquarters of the nationalism and liberalism of the French Revolution, and Turin, in 1861, became the capital of the Italian monarchy From the days of Cavour to the present it has shown the greatest interest and participation in democratic institutions In the Po valley socialism of all kinds had its stronghold, from the social-democrats to the revolutionary syndicalists and communists Through the federated labor unions socialists were in practical control of many of the municipalities after the War As a result, class struggles and party strife were most bitter here Many of the early fascist leaders came from the industrial and communal agricultural cities of these Regions, where they organized the most active *fasci*

Liguria, the narrow strip of coast centering in Genoa, is devoted almost entirely to maritime interests, including those metallurgical industries which result directly from the importation of coal and iron Genoa, Milan, and Turin are closely connected industrially, for Genoa, with Savona and its lesser neighboring ports, is the great industrial port of Italy To be sure, the Ligurian ports export local olive oil, fruits, and other agricultural products, and the Ligurian Riviera is enjoyed by the upper classes of Italy as well as by foreign tourists as a resort for conspicuous leisure, but the economic and political life of this Region is definitely dependent on industrial foreign commerce In short, just as the major industrial pressure-

groups are localized in the Regions of the Po, so the importing and exporting interests have their headquarters in Genoa. In passing, La Spezia, the southernmost port of Liguria, should be mentioned as Italy's most important naval base.

Since the War the former Austrian port, Trieste, and its neighboring centers of shipbuilding and commerce have taken a prominent place in Italian shipping interests, so that Genoa now has a serious rival. In a sense Trieste is Genoa's modern rival much as Venice was in medieval times, for it has become the natural headquarters of the rapidly expanding Eastern commerce.

Tuscany has a significance for Italy which is more readily felt than defined. It stands for what is most representative of Italian culture. Tuscany, together with its southern "annex," Umbria, is *Italia centrale* in more senses than one. Its fertile valleys and gentle hills make it a perfect example of Italian rural scenery and agricultural art. Its mines and marble quarries are important for the whole of Italy. The language and literature of Tuscany were adopted by the literary classes of all Italy. Florence, center of the Italian Renaissance, has to this day remained one of the chief homes of Italian arts and letters. It was also the political capital of Italy from 1864 until the capture of Rome in 1870. In short, the central rôle played by Florence and the other Tuscan towns in both medieval and modern Italian history has made this Region a symbol, a monument, and an exhibit of Italian achievement. I am tempted, for the sake of my more provincial American readers, to say that a Tuscan is an Italian Bostonian, but the difference between a Tuscan and a Bostonian makes the comparison a bit ludicrous. Tuscans, like Bostonians, I might add, are

weary of being held up as symbols of the past and are making serious (some, desperate) efforts to make creative contributions to contemporary life. Florence has always taken its local politics very seriously, if not violently, it is, therefore, nothing exceptional that Tuscan fascism, during its first years, was the stormiest in Italy. Not only were there here numerous displays of violence between socialists and fascists, but the fascists were quite critical of each other and of the movement as a whole.

This takes us to Latium, a broad coastal plain surrounded by hills and mountains, which need concern us only as it provides the agricultural hinterland for Rome. At present the government is giving attention to the economic development of Latium, draining marshes, building model agricultural establishments, and encouraging local industries, but in general it might be said that Rome has no "economic" life.<sup>2</sup> The Romans live on politics or religion or both. Rome is doubly sacred to Italians, being virtually the capital of both church and state. The imperial spirit, both sacred and secular, is genuine and natural in Rome. Its concerns are less with Italy than with the world, and now, more than ever, Rome is assuming an "eternal" aspect and temper. This obvious fact is hardly worth mentioning except to mark the significant contrast between Rome and all other Italian cities. Today the younger generation of fascists in Italy has its eyes fixed on Rome, but previously it took all the pomp and circumstance church and state could command to carry to other regions, even to a faint degree, the enthusiasm of Rome's daily concerns. The press reaches little further than the "political class." The national army

<sup>2</sup> The chief industry, employing over 6,000 workers, is printing, and the chief printer is the government.

and police are ubiquitous but for that very reason not exciting. The celebrations of royal holidays are less Roman than the church festivals, and the latter are most intense when celebrating local saints. The most effective means Rome (and I am using "Rome" as the Romans do, as the symbol for the imperial state) has as yet discovered of Romanizing the other regions are its *fasci* and youth organizations, from the Fascist Militia down to the *Fanciulli della Lupa* (Children of the Wolf). What may seem to foreigners not accustomed to such fanfare a childish display is really serious politics and is intelligible only when one understands the contrast between Rome and the typical Italian community. Rome is today a symbol and center of Italian unification such as Italy has never before enjoyed. The centralization of authority in the Head of the Government and the extension of the bureaucracy, the abolition of more or less local parties, the cultivation of Rome as a center of public rites, celebrations, and pilgrimages, the revival of Roman traditions and symbols, have all contributed to giving the Italian state a single focus such as it did not have even in the days of Garibaldi.

The eastern Regions of central Italy, the Marches, Abruzzi, and Molise, have little importance for the political life of Italy. They are, in fact, good illustrations of the problem that confronts Rome as I have just stated it. The political insignificance of these Regions is not to be explained entirely by the long years when they were the estates of the Church, nor by the rugged Apennines that separate the small communities effectively. Rather it is the simple economic pursuits of these people, hillside-farming and fishing, that make these regions fairly homogeneous and politically stable.

The semi-arid mountain Regions of the South, Lucania

Basilicata), Calabria, the island of Sardinia, and parts of Sicily, have lost most of their one-time political energy. There are several southern cities, however, that have an active commercial, political, and intellectual life. Chief of these is Naples, in the heart of the fertile plain of Campania and one of the most active ports of Italy, commanding a large share of the Mediterranean commerce. Bari on the Adriatic and Palermo in Sicily are the other centers of southern culture and commerce. Bari has grown rapidly in recent years, with the expansion of Eastern trade and policy.

Almost every country has its North and its South. Napoleon used to say, "Italy is too long." The differences between the two ends of Italy are no less significant than the similar differences between North and South in the United States. The South is either parched or malarial except for a few exceedingly fertile spots on the coast. Many of these have been operated as large estates (*latifundi*) by a few relatively wealthy and usually absentee landowners, to the impoverishment of both their land and their tenants. The syndicates of tenants into whose hands many of the lands fell after the War stimulated class conflicts and administrative chaos. Recent efforts by the government to redistribute the ownership of the land and to introduce scientific use of the soil (*bomfica integrale*) have proved partially successful. The lack of woodland, pasture, cattle, and fertilizer is one serious obstacle, to say nothing of malaria and the social insecurities. The southern peasants have a long standing suspicion of landowners and politicians, who together have kept them in poverty and ignorance. Exploited formerly by their Spanish rulers, they still feel to some extent exploited by the politicians and capitalists of the industrial North.



The influence of the Church is strongest in the South, and until 1905 (or, for that matter, 1919) a large majority of those who had the right, though probably not the inclination, to vote for deputies refrained from voting in obedience to the "imprisoned" Pope. After the World War, when the Sicilian priest, Don Sturzo, organized the Populist Party, he had a strong following in the South. The Christian labor unions were also strong there. In various ways between 1919 and 1922 the South exercised strong and socialistic pressure on the national government. And even after 1922 it took the fascists several years and the Lateran Treaty to gain genuine control over it.

These are some of the most elementary and general ways in which regional differences affect Italian politics. We turn now to the diversity of economic goods and resources which these diversified regions make possible.

### 3 *Italy's resources and needs*

The chief aim of the present government is to make Italy economically independent. Though this may seem a hopeless task in view of her almost total lack of coal and iron, a survey of the exceptional range of the country, from Alpine forests to tropical sands, and of the variety of its products may throw light on the possibilities and urgent needs of such a policy.

Beginning in the North, we note first of all Italy's wealth of water power. For many decades this has been increasingly utilized, and the fascist government is energetically carrying on the work of its predecessors, emphasizing less the efficient use of its streams for agricultural purposes, which has long been a common practice, and more the development of electric power for industry and the rail-

ds<sup>3</sup> Already the process of electrification has made much progress, several of the main railroad lines and many of the northern industries having been electrified, but the consumption of electricity is over five times what was in 1913 and has even increased by one-third since 1928. Of this current 95 per cent is produced by water-power, which is still largely concentrated in the North and the mountains of Umbria, Latium, and Abruzzi. The utilization of this "white coal," already one-tenth of the world's output, must be carried further, for the annual transportation of coal is still increasing. Even since 1928, when other imports have decreased by 50 per cent, the transportation of coal has increased by about 50 per cent. The slopes of the Alps are also furnishing lumber, a scarce product in Italy and a considerable item among the imports. In fact, they are furnishing too much lumber, especially the newly-acquired Trentine territory which is well forested before the War, and a rigorous forestation policy will be necessary to maintain the supply. The lower Apennines have been deforested for centuries, and modern lumber interests have completed the ruin, which fact, though it accounts in part for the fertility of the valleys, means an irreparable loss of timber-land, pasture, and water supply.

The Po valley richly produces rice, corn, wheat, sugar beets, meat, dairy products, and other staples. The intensive cultivation of grain here and throughout Italy, supplemented by the recent encouragement of the government (*Battaglia del Grano*), has raised the yield to the point where it is practically sufficient to support the nation.

<sup>3</sup> For example, Bolzano, which has been a center of fruits and wines, is being transformed into an industrial center, using Alpine water-power.

The production of silk, formerly one of the largest agricultural industries of the Po valley, has declined recently. This is due in small part to a pest on the mulberry trees, in greater part to Japanese competition, but most of all to the inroads made upon the raising of natural silk by the artificial silk industry. The gains in the one industry offset the losses in the other, but the raw materials must now be imported. Since the textile industry is the earliest and still one of the largest in Italy, the necessity of importing practically all of its raw materials (cotton, jute, and wool, especially) is a serious item.

There is little iron in Italy except a low-grade ore on the islands of Elba and Sardinia and scattered deposits in Piedmont, Lombardy, and Tuscany. The government is encouraging the mining of this iron, though at present it is not profitable. Tin, nickel, and most of the copper must be imported. Of other minerals, however, Italy has large quantities, mercury, lead, zinc, aluminum, lime, and lesser quantities of silver, manganese, and antimony. The production of aluminum has more than tripled in the last decade. The oil wells of Emilia are scarcely worth mentioning.

Of the production and exportation of fruit, wine, and olives, throughout Italy, notably in the South, nothing further need be said. It is obvious from the above survey that what Italy hopes for most from its expansion in Africa is such vital raw materials as minerals and cotton, and, of course, an outlet for its technical labor and industrial products. At present the colonies are certainly furnishing the homeland abundant opportunity for "public works," by which some of the surplus labor both in and out of the army can be employed, how "profitably" is a matter of dispute.

## CHAPTER II

### THE ITALIAN POLITICAL HERITAGE

"We are the ancients," said Francis Bacon, and, in one sense, it is true that "old" peoples like the Italians have enjoyed a long political experience. For in Italy has flourished at one time or another every kind of government known to man. The real question, however, is how much of the past the present Italy possesses, for behind every political system is a heritage of other systems intelligible only in terms of the kinds of experience that generated them. Even the new Rome was not made in a day. We need not assume the existence of historical "forces" whose inevitable resultant is fascism, but we need to know the inheritance, the unearned capital, on which the fascists could draw in making their plans for the future. Our task is, therefore, not to sketch the history of Italy but to estimate its political "living past."

#### *1 The Roman Empire*

In general, foreign historians have underestimated and Italians have overestimated the continuity between the ancient Romans and the modern Italians. It is no doubt true that the Roman Empire fell, and that fresh blood and feudal economy created an entirely different Italy, but this fails to account for the fact of classicism, for the ability of Rome to rise from its grave and lead a spirit-like existence. Elsewhere these rebirths of the ancient world

were largely literary and artistic, but in Italy Rome survives as a political spirit as well. Ever since Dante's *De Monarchia* and Machiavelli's *Discourses on Livy* the history of Rome has been a favorite text book of Italian politics. It is therefore nothing unheard of that the present reformers of the Italian state should seek to translate their ideas into Latin. The appeal to Rome, in other words, is itself a tribute to the appeal which Rome still has for Italians. This time it is imperial Rome, even pagan Rome, that comes to life. It is a symbol of unity, power, expansion, military discipline, and civic cult. It suggests that Italy's sphere of action is the Mediterranean, and that within that (now limited) sphere Italy can rely on its natural position, its relative resources, and its culture to achieve supremacy. To build long roads by hard labor in waste places for the imperial armies, to maintain communication by land and sea among barbarian nations, to uphold order and dignity at home and abroad, that is Roman. But above all, Rome has been revived, as was suggested in the preceding chapter, to lift Italian minds and emotions above regional and class differences, above the feeling of subserviency to more powerful neighbors, and to stimulate an interest in an aggressive foreign policy. All contemporary institutions and symbols, the monarchy included, were divisive, only ancient Rome could suggest what fascists hope Italy may again become.

## 2 *Feudal society*

Much of Italy, especially the South, retains its feudal character. The fundamental social strata are remnants of the feudal hierarchy—princes, nobles, free-holders, tenants, and peasants. Among the terraced hillsides, agriculture, even when most scientific, must be carried on in the

same small plots and with the same simple instruments used for centuries. Trade is limited and local. These simple economic processes dominate social life over wide areas and make modern political citizenship, even modern education, seem futile and irrelevant.

The social cleavages established by custom are still in force, though the differences in wealth and power have disappeared. Wealth is no longer concentrated in the nobility, but titles are frequently retained, and often there is a pathetic attempt to maintain the display implied by them. On the whole, the landed class is least happy now, being reduced to little more than tax-collectors for the national government. The peasants remain poor and unambitious, class-conscious but class-contented, unless they emigrate. In general, the class relationships established in a rural economy are still more prevalent than those of modern business or modern citizenship.

### 3 *The city*

Italy is a nation of cities, each having its "province," or rural region. The Italians first became famous as citizens of city states, and though the glory of the cities is now most conspicuous in the monuments of their past, municipal life is still the most genuine and significant aspect of Italian politics. The great medieval city-states created a wealthy and powerful aristocracy of commerce. In Liguria, Venetia, and Tuscany the famous families are for the most part products of bourgeois enterprise rather than of agricultural feudalism. Not only the nobility, however, but the artisans as well have remained important classes in these Regions. In Florence, for example, the handicrafts are still one of the chief sources of income, the gold- and silversmiths, the leather workers, potters,

and weavers maintained a flourishing trade and high level of craftsmanship until recently, when the tourist trade and the demand for antiques began to corrupt the morale and the taste of the artisans. In all the cities of central and southern Italy the independent craftsmen have been able to resist the encroachments of mass production, and their interests and class-consciousness are being actively promoted by their national federations.

The usual distinction between town and country must be modified when applied to Italy, for every rural area (*paese*) is the country of a town, that is, even the peasants and their hamlets belong definitely to a city and are identified thereby. The economic reasons for this are obvious, but politically it means that a city is still a small state, as it were, enclosed by its farms, self-centered and self-reliant.

This fact serves to explain the success of the system of provinces. For though in the nineteenth century Piedmont politicians ran rough shod over the various systems of local government, the provinces they created, on the French model, coincided fairly well with the traditional municipalities, and the prefects were able to bring the municipal and the national governments in direct touch with each other. There are, of course, more cities than provinces in Italy, but at least all the great cities with long-standing political traditions are provincial centers and continue to be the most vital organs of the national state, in spite of the fact that almost all the institutions of the medieval city state have been destroyed.

One illustration of the vitality of city politics must suffice. During and after the War the municipal elections of many of the cities of the Po valley were captured by the socialist parties, and local administration was in the hands

of the provincial Labor Leagues Through them the whole economic as well as political life of the community was ordered Laborers were parceled out and even forcibly imposed on "employers," especially after the War, when many demobilized soldiers were cared for in this way With inflation there was a continual demand for increased wages, which could be met only by more inflation Revolution, the hope of some and the expectation of all, was regarded as the natural outcome of the War For these municipal governments not only denounced the national policy but openly sabotaged the War and abused the soldiers The national government was practically helpless, partly because the local bosses controlled the deputies, and partly because the royal police were totally inadequate to deal with the local *fasci* or leagues of active labor leaders, organized for physical as well as political combat There was no alternative except for those who were supporting the War to organize similar municipal groups, called *Fasci di Resistenza* Ardent veterans of the War, with and without the support of desperate employers, not only defended themselves but, in 1920 and 1921, took the offensive and broke up the labor *fasci* by the use, or at least the display, of violence This kind of local politics, this original and genuine fascism, is, of course, reminiscent of the activities of Guelfs and Ghibellines For in addition to being a class struggle, and over and above being merely a class struggle, it represents the most typical, direct, and effective way in which Italians for centuries have organized for meeting basic issues

#### 4 *The Church*

For the first time in Italian history church and state are practically separated Cavour's ideal of a "free church



in a free state," inspired by French anti-clericalism, proved impossible. And yet, in a sense, it is realized now, for though neither church nor state is politically free, both are practically free of each other and religion is less political both in content and power than it has ever been.

The only institution that bridged the gap between ancient Rome and medieval Italy was the Church. It was the real "Holy Roman Empire." It invested the declining fortunes of the Roman Empire with a religious mission and with divine sanctions. Though it aimed to become a universal, moral empire, it really linked Rome in a special way to Italy. Not only through the so-called Donation of Constantine but also by its secular rivalry with both Italian princes and "foreign" emperors, it gained a physical foothold on the Italian soil such as it enjoyed nowhere else. To be sure, its feudal estates and aristocracy were to be found throughout Christendom, but as feudalism declined and the Church acquired modern statehood, its temporal power became increasingly Italian. Finally by maintaining Italians in the papacy and in the majority of the Cardinals, the Church has tacitly linked itself in an intimate way with the people of Italy. While the Pope, Cardinals, and Bishops of the Church were therefore in the fullest sense a political hierarchy who conducted world affairs, the humble village priests effectively supported them by ministering religiously to local needs and making themselves essential elements in every Italian community. Under these circumstances the Church was inevitably at least a party in Italian politics, for all the efforts to restrict the Church to its religious functions, to induce it to accept "Christian poverty," or to praise the priest and condemn the bishop, were futile as long as the Church was a genuine state.

Even after the events culminating in the Capture of Rome, September 20, 1870, and making the Pope a prisoner in the Vatican, had destroyed its temporal power, the Church could still exercise an uncanny influence on Italian politics by using diplomatic channels to make threats of intervention on the part of other states and by appealing to the sympathies of Italians against what they were quite willing on other grounds to regard as a "robber government" The Pope consistently refused to accept "guarantees"<sup>1</sup> from the state and insisted on his sovereignty Gradually, however, the papacy weakened in its boycott of the Italian government, removing the prohibition of voting for deputies in 1904, and in 1919, in view of the success of Centrist parties in other countries, even permitting the priest, Don Sturzo, to organize the Catholic *Popolari* Further evidence that the Vatican was becoming less of a prison was given by Pope Pius XI when, after his coronation in February, 1922, he appeared on the outside balcony of the Vatican to bless the crowd that had assembled in the square In the meantime the nationalist allies of the fascists had persuaded them to adopt a Catholic philosophy, similar to that of the *Action française*, which in the case of Italy met with a more favorable response on the part of the Pope than in the case of France Furthermore, the Church suddenly withdrew its support from the Populist Party, when it clashed with the fascists The fascist destruction of Italian freemasonry removed another obstacle between national and ecclesiastical politics These *rapprochements* in practice, though both church and state continued to insist on their unlimited sovereignties in

<sup>1</sup> The Law of Papal Guarantees (1871) was a fundamental document in the Constitution of the Italian state until it was replaced by the Lateran Accord of 1929

theory, made a settlement of the long controversy hopeful. On the initiative of Cardinal Gasparri, even before the advent of fascism, the general lines of an agreement were drawn.

The Lateran Accord of 1929 finally solved the Roman Question by a concordat, a political treaty, and a financial settlement. The Concordat reaffirms what the Italian Constitution declares, namely, that "the Roman Catholic and Apostolic Religion is the sole religion of the state." This merely means, according to the government's version, that all official religious rites are Roman Catholic. (By legislative enactment other religions are admitted into the state, and freedom of religious worship, provided there is no proselyting or anti-Catholic propaganda, is guaranteed.) The number of bishops is reduced, and all bishops in Italy must not only be Italians but must take the oath of loyalty to the Italian state and must be approved by the government. Religious orders are legally entitled to hold property and are exempt from taxation. Religious education is incorporated into the public education program for both primary and secondary schools and is in the hands of the clergy (subject to the approval of the government) assisted by laymen (subject to the approval of the Church). Religious text books must be approved by the Church.<sup>2</sup> The *Azione cattolica italiana*, which carries on Christian propaganda and has been powerful in the past both as a political and educational agency, is recognized by the state, but only on the condition that it be independent of political parties, that it devote itself to the "teaching and practice of Catholic principles," and that it shall not compete with fascist youth organizations or cultural institutes.

<sup>2</sup> Parents may request that their children be excused from religious instruction.

The Treaty recognizes the "absolute independence" of the Holy See and its sovereign jurisdiction over the Vatican City State (about one hundred acres). Though recognized as a state in international law, Vatican City expresses the policy of remaining "external to all temporal disputes between nations and to international congresses," reserving the right to "exercise its moral and spiritual power." The papacy in turn recognizes the Italian monarchy. In the financial agreement Italy agreed to pay a cash indemnity of seven hundred and fifty million lire and one billion lire in 5 per cent government bonds.

Though this solves the Roman Question and the political relations between church and state, it leaves open, as it naturally must, the future of the Church in the life of the Italian people. The state is free to dominate the education of future generations, except for a few hours a week devoted to what must inevitably become rather perfunctory religious teaching. This does not give the Church the hold it had hoped to gain over youth, especially since the state now has a monopoly on youth organizations and the scope of the *Azione cattolica* is definitely limited. On the other hand, anti-religious propaganda and anti-clericalism can readily be suppressed. The years immediately following the Lateran Accord were filled with bitter controversy, the Church freely criticizing the "moral" aspects of fascist policy and seeking to maintain its youth organizations, the government resenting the intervention of the Church in political affairs and restricting the social rights and functions of church organizations to a minimum. By 1932, however, a practical working compromise had been reached. The Concordat thus leaves both church and state with their claims to absolute moral authority, and it rests ulti-

mately with the people whether they will admit either or, as in the past, genially support both irreconcilables

### 5 *The Risorgimento*

To the Risorgimento Italy owes its present Constitution, but whether fascism represents a completion or a negation of this movement is a debated question. The *Statuto*, granted in 1848 to his subjects by King Charles Albert of Piedmont and Sardinia and conscientiously upheld by his son, Victor Emmanuel II, first King of Italy, is a vague, brief document issued under threat of insurrection and under the general enthusiasm for French and British enlightenment. It was modeled on the Belgian Constitution of 1830 and was intended only for Piedmont-Sardinia, but it was seized upon by Cavour as a practicable compromise between the ardent republicanism of Mazzini and Garibaldi and the traditional institutions of the Italian states. The dramatic story of how by war, diplomacy, oratory, compromise, and enthusiasm one state after another was added to the Italian monarchy is too familiar to need rehearsing. But it will serve our purpose here to indicate the radical reconstruction of Italian political institutions which this Risorgimento suddenly achieved. Politically it was really not a *risorgimento* at all, but a remaking of Italy on French and British models.

In Piedmont the introduction of the modern state was accompanied by an industrial revolution, but elsewhere in Italy, especially in the South, the Constitution of the United Monarchy with its democratic institutions was imposed on a feudal society. The wave of romantic nationalism that resulted in the unification of Italy swept away the Austrians, the Bourbons, and the temporal power of the Church, but the liberal ideas and democratic politics

which it left behind penetrated only a small part of Italian society. A new King, a new nobility, Piedmontese provincial prefects, and Italian *carabinieri reali* (royal police), these were all readily accepted without producing any noticeable change in the social structure. The middle class, for whom the new order was appropriate, was composed of a small group of professional men and merchants and petty landholders. Under these circumstances it is not surprising to find that national politics never took deep root except in the few industrial Regions. It came down from above and did not grow from within. It was modeled on the British and French systems but was not preceded by the English and French social revolutions.

Inasmuch as the parliamentary system was the heart of the liberal state, participation in the elections for deputies may serve as an index of the extent to which the state touched the people. Until 1882 only property holders and substantial taxpayers held the franchise, at most six hundred thousand voters. In that year literacy became an alternative qualification, but even on that basis, as late as 1911 there were only about three million voters, of whom only about 65 per cent availed themselves of the privilege. In 1913, when illiterates over thirty years of age were also permitted to vote, 60 per cent of those entitled to vote did so. In 1919, when all adult males were permitted to vote, and a year when fundamental issues were at stake and party strife was bitter, only 52 per cent voted. In fact, the fascist election in 1924, with its mixture of intimidation and enthusiasm, brought out an exceptionally high percentage of voters, 63 per cent.<sup>8</sup> Electionism, therefore, though it was not so contemptible as

<sup>8</sup> For these and additional statistics see Henry Russell Spencer, *Government and politics of Italy* (New York, 1932), chapter XVII.

it is now said to be, was after all not a deep-seated Italian institution, and democratic politics, except for a few years after the War, interested a very small and very middle class

For the same reason the political parties and cabinet systems that grew out of the Risorgimento, though not foreseen in the Constitution, proved even less stable than those in France. During the whole course of liberalism government was really conducted by a series of statesmen, each able to dominate a majority of deputies by petty cabinet manipulations and by the clever use of patronage, each, in other words, a *duce*. Depretis, Crispi, and Giolitti, to mention the outstanding names before Mussolini, were *leaders*, each enjoying a personal following and prestige, each in his own way carrying on in spite of parliament rather than by it or for it. The republicans, for example, the left wing of the Risorgimento, were induced by Cavour into a national coalition until the crisis of unification should be over and then gradually dwindled into an insignificant group of doctrinaires, surviving on the prestige of certain local cliques. The so-called radicals, imitating the French group by that name, kept up a doctrinaire and desultory campaign for individualism and anti-clericalism until they finally disappeared in the War. Anti-clericalism was never popular in Italy except among positivistic intellectual circles in the North, who were strongly under French influence, and idealistic circles in the South, under German influence. The democratic liberals, Italian democrats, democrats, liberal democrats, agrarians, nationalists (reading from left to right) were all small bourgeois groups, distinguishable chiefly as the personal followings of rival leaders, each coming into prominence at some crisis or other, when it happened to occupy a crucial position in the

Chamber, but representing neither a critical opposition nor a national policy <sup>4</sup> In general the history of democratic policy may be summed up by saying that it began on the right under Cavour, on a platform of unification and industrialization, then passed to the left, in 1876, and continued swinging further toward the left until the crisis of 1919, when the nationalist and fascist reaction caused a parliamentary deadlock, ending in the Fascist Regime, October 1922

There were two parties, however, whose origins had nothing to do with the parliamentary liberalism of the Risorgimento, that played a determining part in this history and that were significant national parties in the fullest sense of the word the one, the *Popolari*, or Catholic Centrist Party, we have mentioned earlier, the other, the socialists and syndicalists we must now discuss as a separate element in the Italian political heritage

### 6 *Corporatism, syndicalism, and socialism*

What may loosely be called corporatism is much older in Italy than either syndicalism or socialism During the decline of the Roman Empire the corporations (*collegia*) of merchants and artisans continued to regulate municipal economic affairs The medieval guilds, however, had an independent origin From the twelfth to the fourteenth centuries these guilds became increasingly powerful politically, until they practically created several corporative

<sup>4</sup> Perhaps exception should be made to this generalization in the case of the nationalists This party was organized between 1896 (after the defeat of Crispi's expedition into Abyssinia) and 1910, when it went into formal action, attempting to revive some of the national enthusiasm for the Risorgimento, to urge an aggressive foreign policy, and to ridicule democracy It marked the beginning of the swing back to the right



city-states As the chief agencies of economic regulation they prospered during the fifteenth, sixteenth, and seventeenth centuries They increased in numbers and in specialization, until by the eighteenth century their minute regulations and exclusive policies made them artificial restrictions in the face of the commercial revolution and they were abolished

The impetus to syndicalism in the nineteenth century was given as early as 1848, when under clerical auspices and with semi-religious functions, several syndicates of workers were formed in Emilia and Piedmont Mazzini in 1861 proposed a nation wide organization of workers, especially of artisans, and as late as 1900 there were still active republican agricultural brotherhoods When, after 1864, the revolutionary labor movement under the inspiration largely of Bakunin gained ground in Italy and the labor syndicates became affiliated with the socialist International, Mazzini opposed it Garibaldi, on the other hand, in 1871 enthusiastically welcomed the International, which soon took over most of the republican organizations Agricultural syndicates were formed as early as 1864 in Mantua, where they conducted strikes in 1884 More spectacular, but of short duration, were the Sicilian peasant *fasci* of 1889, which were broken up by the landowners Beginning in 1890 at Milan provincial Chambers of Labor were organized and proved successful A National Confederation of Chambers of Labor was created in 1893 and almost immediately clashed with the rival Catholic syndicates

Revolutionary syndicalism, of the type founded by Sorel, was a movement that spread in Italy at the beginning of the century within the more general labor move-

ment It was opposed to political socialism, to democracy (in the sense of majority rule), to internationalism, to materialism, and to many other aspects of social-democracy and tried to promote the interests of labor and the cause of revolution by strikes and, if necessary, by violence, but not by politics It was to this movement that Mussolini and his early associates belonged

Meanwhile socialist parties had been invading parliament The *Partito operaio*, organized in 1882, marked the beginning of political socialism similar to that of other countries and led to the founding in 1893 of the influential *Partito socialista italiano* In 1905 the socialists split into the reformist group, which carried on liberal social reform in affiliation with other parliamentary groups, and the revolutionary wing, which adhered to the International The following year, 1906, the reformist socialists and the syndicalists joined forces in organizing the *Confederazione generale del Lavoro* (C G L), which from then until 1919 was the chief organ of the Italian labor movement, flanked on the one side by the provincial Chambers of Labor and on the other by the national socialist parties

The conservative or reformist tactics of the C G L were not seriously threatened until the Tripoli War of 1911, which aroused violent anti-imperialism both among the socialists and among the syndicalists, some of whom (among them Benito Mussolini) openly opposed "Africanism," while the reformist leaders (e g, Arturo Labriola) tried half heartedly to defend the war In 1912 the insurgents succeeded in expelling the most conservative reformists (Bonomi and Bissolati) from the Socialist Party During the World War the C G L became increasingly critical of the national government, gaining

strength steadily and capturing after the War about two thousand of the communal administrations <sup>5</sup>

The situation was suddenly changed in 1918 when the Catholic Populist Party, under the leadership of (Don) Luigi Sturzo, organized the *Confederazione italiana dei Lavoratori*, which soon became very strong especially in Emilia and in the South. This Confederation formed the so-called "triple white alliance" with the cooperatives and the mutual insurance societies, thus forming a Centrist syndicalism that held the balance of power and held the *Partito unito socialista* (P U S) to a fairly conservative program. In 1919 this United Socialist Party and the C G L affiliated with the communist International, and the factory occupations of that year were regarded by the communist minority as the beginning of a revolution. The reformist leadership, however, negotiated a compromise with the factory-owners, and the crisis passed over without further revolutionary developments. The communists then became indignant, and the syndicalists became discouraged. In 1920 Lenin tried to force the reformist leader, Turati, out of the Party, but the Catholics, fearing communist dictation, rallied to Turati's support. The communists then revolted and organized an independent party. The labor forces were now hopelessly split into factions. Their relative strength in 1920 and their subsequent decline is indicated by the following figures

	1920	1921
General Confederation of Labor	2,200,000	1,860,000
Italian Confederation of Workers (Catholic)	1,250,000	992,000
United Socialist Party	200,000	170,000

<sup>5</sup> See above, p 16

The United Socialist Party voted in 1921 as follows

Reformists ( <i>Umtari</i> )	98,000
Communists	58,000
Centrists	14,000

The General Confederation of Labor was divided in 1921 into one million four hundred and thirty thousand reformists and four hundred and thirty thousand communists

This is the barest chronicle of the very intricate history of Italian socialism and syndicalism, and the moral of the tale is still more difficult to draw. As a general rule political socialism was subjected by its bourgeois leaders to a minor rôle in parliamentary party politics, whereas syndicalism, better organized for local direct action, was crippled by ineffective leadership in national crises. Reformist Italian socialism was undermined by revolutionary, international communism. Revolutionary syndicalism was undermined by militant nationalism. Both these tendencies undermined any hope of peaceful political action and led inevitably to violence. And when it came to violence, the fascists easily won out. Had there been well defined class interests, there might have been a clean-cut class struggle. As it was, however, a variety of interests (church, nation, party, agriculture, industry, to say nothing of personal clashes) produced a bewildering political chaos, in which the state truly "withered away"

## CHAPTER III

### THE STRUCTURE OF THE FASCIST STATE

#### 1 *The Constitution*

The Constitution of 1848 still remains the basic document of the state. According to it Italy is a Constitutional Unitary Monarchy. The King is king "by the grace of God and the will of the nation," and he pledges himself to uphold the Constitution. The fundamental principles of the Constitution are those of the reign of law, division of powers, representative government, civil equality (*ie*, abolition of politically privileged classes), civil liberty (*ie*, inviolability of person, home, religion, and association). The Constitution provides for a "responsible Ministry" (but does not specify to whom the Ministry is responsible), for a Senate, a Chamber of Deputies, and a system of independent courts. But the details in the operation of these institutions are not specified. No formal provision for amendments is made, and no court can test the constitutionality of legislation. As a result the written *Statuto* has been regarded ever since Cavour as merely a point of departure, and this interpretation has been reaffirmed by Mussolini.<sup>1</sup>

In the early days of fascism there was some question as to whether the fascists could operate within the limits of the Constitution. At one time, when it seemed doubtful

<sup>1</sup> Speech to the Chamber of Deputies, November 22, 1924

whether the King would accept the Fascist Regime, there was even some talk of ending the reign of the House of Savoy, for as late as 1921 an influential group of fascists, including Mussolini, acknowledged their republican leanings. The whole question of constitutional reform was put before a special commission in 1924, but long before the final report was made it had already become apparent that the *Statuto* would not be touched and that whatever changes were necessary could be made by "constitutive legislation." Though the recommendations of the commission were not closely followed, the view of Alfredo Rocco, one of its most influential members, was generally adopted, namely, that fascism meant merely a "transformation" of the state, not the creation of a new one. According to the *Statuto*, so the theory goes, the King's Government is responsible to the King, is supposed to be directed by him, and Parliament is to be an advisory body, ratifying but not directing legislation. Therefore the whole development of the cabinet system and parliamentary responsibility was a degradation of the Constitution, and the fascist "transformation" is really a purification, a return to the original idea. Fortunately for the theory, it is impossible to determine what the original idea was, since the *Statuto* states merely that legislation is to be carried on by the King and Parliament "collectively."

In political theory fascism has modified the doctrine of sovereignty. In the *Statuto* it is not clear whether the King recognized the principle of popular sovereignty or not. But during the parliamentary regime the principle was certainly recognized in practice. The fascists, denouncing the doctrine of popular sovereignty and at the same time unwilling to return to the idea of the sovereignty of the King, have accepted the theory of the sov-

ereignty of the state The King is Head of the State and responsible to it, not to the representatives of the people The state is a primary organic being, the unity of the people, whose members exist in it and for it<sup>2</sup> The state is defined in terms of its end or mission (which, in turn, is variously defined) It is therefore a moral entity, or rather, *the* moral entity The transition from the mere constitutional state to the totalitarian or universalistic state is usually stated as the transformation of the modern state into the moral state Theoretically this is supposed to be the essence of the Fascist Revolution

Opponents of fascism, of course, insist that the *Statuto* has already been destroyed, but there is no general agreement as to precisely at what point in the fascist destruction of democratic institutions the Constitution was violated The veteran statesman Giolitti, for example, tolerated the fascist "reforms" until 1928, when the Parliamentary Reform was passed, but on that occasion he voted against it, asserting that with that act fascism had decisively ceased to be a constitutional regime The fascists, on the other hand, see no reason now for raising the question of constitutional reform as long as the Chamber of Deputies in its present form continues The enthusiasts for a radically corporative state, however, have kept the issue alive, and Mussolini definitely encouraged them when he closed his speech before the Senate (January 13, 1934) on the law which created the corporations with the words "After we have witnessed, studied, and controlled the practical and effective working of the corporations, we shall reach the third phase [of the development of fascism], that is, the

<sup>2</sup> Mussolini, March 19, 1934 "The people is the body of the state, and the state is the spirit of the people According to the fascist concept the people is the state and the state is the people"

so-called constitutional reform. Not until that third phase will the fate of the Chamber of Deputies be decided." And in March 1936 he indicated that this change would be made as soon as the war and sanctions were ended.

The fascist legislation which supplements the *Statuto* is based on the following laws: on the powers and prerogatives of the Prime Minister (Dec 24, 1925), on the power of the executive branch to make legal decrees (Jan 31, 1926), on the legal discipline of collective labor relations (Apr 3, July 1, 2, 1926), the Labor Charter (promulgated by the Grand Council of Fascism, Apr 21, 1927), on political representation (Mar 15, 1928), on the structure and powers of the Grand Council of Fascism (Dec 8, 1928), on the National Council of Corporations (Mar 30, 1930), on the corporations (Feb 5, 1934), and on the powers of the Central Corporative Committee (Apr 18, 1935).

On the basis of this legislation the fundamental organs of the Italian state are the King, the King's Government (including the Ministries and prefects), the Grand Council of Fascism, the Senate, the Chamber of Deputies, the courts, the corporations, and, of course, the army, navy, and royal police. These institutions we shall now consider in turn.

## 2 *The monarchy*

Under the circumstances of Italian unification nothing would have seemed more plausible than the creation of a federal state, but thanks to the strength of French precedent, a perfectly unitary state was formed. The traditional states became "geographic expressions," the whole realm was divided into new provinces, and these were assigned to prefects, mostly from Piedmont, who admin-



istered them directly for the national government. Within a relatively brief time three kings have made themselves genuinely kings of Italy: Victor Emmanuel II (1849-1878), Humbert I (1878-1900), Victor Emmanuel III (1900——). Especially during the War Italy became a genuinely united state and the King its popular symbol of unity. If he were more than a symbol, he might not be a unifying element in the state. There are those monarchists who would like to see a "strong king," but the King himself knows better.

The King is technically defined as the Head of the State. During normal times the King's political duties are nominal. It is true that during the parliamentary regime he had frequently to choose a Prime Minister, on the average about once a year, but he usually enjoyed little choice. In a crisis, however, the King may have an important personal power. For example, in October 1922, when the fascists marched on Rome, the King was asked by his Prime Minister, Facta, to sign a decree of martial law. According to strict procedure he should have complied, but foreseeing the probable consequences and regarding it as his primary duty to preserve peace, he refused to do so, thus forcing Facta to resign and forcing himself to appoint Mussolini Prime Minister. Here was a case in which the personal choice of the sovereign was of far-reaching consequence, even though, as some say, the attitude of the army really decided the issue in his mind. Whether or not the King was loyal to the letter of the Constitution in this decision is still a nice academic question, though the fact that Mussolini was able to command a parliamentary majority made this "revolution" strictly legal.

The throne is hereditary according to the Salic law, but

the succession must be approved by the Grand Council of Fascism. The person of the King is "sacred and inviolable." Technically only the Crown (the Government) is responsible. The King as head of the state has the right to appoint the head of his government, to convoke or dissolve the Senate or Chamber of Deputies, to sign all laws, and to exercise the power of pardon. The King is Commander-in-chief of the army. The royal family retains a part of its estate as its personal property, but much of it is "crown property" administered by the state. The "civil list," or annual grant to the King, is now about a million dollars.

### 3 *The Government*

The King's Government in the technical sense is composed of the Ministries of State under the Prime Minister, the Head of the Government. The Law of December 24, 1925 exalts the Prime Minister to a position above the other Ministers. He is Head of the Government (*Capo del Governo*), responsible to the King alone. He is appointed by the King from a list of names submitted to him by the Grand Council of Fascism. The other Ministers are appointed by the King on nomination of the Prime Minister. No measure may be brought before either legislative chamber without his consent.

This obviously centers responsibility for the whole Government directly on the Prime Minister. In addition, his person is as inviolable as those of the "King, Queen, or Crown Prince," the death penalty being fixed for an attempt on his life. Technically he can not be removed from office except by the King, but in reality, though this is anticipating, he must enjoy the support of the Grand Council of Fascism and submit constitutional matters to it.

Whether this restores absolutism is a somewhat speculative question. Technically the King, whose duty it is to maintain representative government, and whose confidence the Prime Minister must have, would have the duty to ask the resignation of his Prime Minister in case the elective Chamber of Deputies, or possibly the Grand Council, or whatever body the King holds to represent the "will of the nation," should fail to give him general support. The "plebiscites" of 1929 and 1934 would give the present Prime Minister ample grounds for maintaining that his Government represents the will of the nation. But the point is that only the King, not the Prime Minister, is constitutionally responsible to the "will of the nation," or, to use the fascist equivalent, the welfare of the state. On the other hand the King is regarded as irresponsible except when he acts as the Crown, and he acts as the Crown only through his Government. Whatever the dialectics of this situation may be, the fact is that the King has the only legal power over the Prime Minister. Though this might be called theoretically an absolutism, or dictatorship, the fact must not be disregarded that the personal will of the sovereign may not assert itself and that the Government is bound by the law. As long as the office of King remains what it has been, he is undoubtedly obligated to yield to popular pressure and thus maintain "representative" government. But what forms such popular pressure might take is a question which we must postpone until we come to the other organs of the Italian state.

The Government functions through the Council of Ministers over which the Prime Minister presides. The General Secretary of the Fascist Party is also a member of this Council. At present there are fourteen Ministries: Interior, Foreign Affairs, Colonies, Justice and Cultus, War,

Navy, Aviation, Finance, National Education, Public Works, Agriculture and Forests, Communications, Press and Publicity, and Corporations. The chief difference between this organization and the former cabinets or the conventional cabinets of other European states is that the Ministries of Labor, Industry, and Commerce (earlier in the Fascist Regime consolidated into the Ministry of Economy) are included in the Ministry of Corporations, to which we shall give extended attention in a later section.

It is taken for granted that the Prime Minister is also Minister of the Interior, but he may hold as many Ministries as he pleases. At present Mussolini is also Minister of Foreign Affairs, Colonies, War, Navy, and Corporations, and he has held as many as eight portfolios simultaneously, when critical circumstances seemed to him to demand his personal supervision. Besides this assumption of several Ministries, Mussolini has made himself predominant by practising a frequent "rotation," to use his term, of the other Ministries. Whenever he sees fit and without giving his reasons, he dismisses or shifts his Ministers and Under Secretaries, on the theory that a change of circumstances demands a change of personnel and on the principle of military discipline. In this way he has made significant shifts in policy in a very informal way, he has trained and tested his associates in a variety of offices, and he has prevented any other leader from achieving a permanent power similar to his own.

Closely affiliated with the Ministries and the so-called *Ammunstrazione attiva* is the *Ammunstrazione consultiva*, the advisers of the Government. Chief of these is the Council of State, the highest administrative tribunal. It has five sections, three of which give advice on matters connected with the several Ministries and the other two

act as a tribunal to pass legal judgment on administrative decisions and to try cases arising between the interests of citizens and the public administration. The Attorney General (*Avvocatura generale erariale*) gives general legal advice to the Government, examines drafts of proposed legislation, etc. The Court of Accounts (*Corte dei Conti*) is the chief auditor of the state finances and makes its report to Parliament. But in addition it also exercises an important check on royal decrees, which must be registered by it and ascertained to be consistent with existing regulations and laws. These administrative courts, though they can condemn legislation, can not prevent its enforcement.

#### 4 *Local government*

The chief representative of the central government in each province is called a prefect, and technically the province as an administrative area of the King's Government is called a prefecture. The prefects are the very heart of the bureaucracy. Mussolini is especially attentive to them, calling them frequently to Rome and holding them responsible for enforcing the Government's decrees and policies. The prefect is assisted by a vice-prefect, a *questore*, and, if needed, by appointed prefect's councilors.

Juridically, however, the provinces and communes are autonomous political bodies (*enti autarchici*), not organs of the state. Each has its own sphere of administration and exists in its own right, though in fact it is not independent of the central government. There are ninety four provinces, each about the size of a large American county and centering in an important city. The autonomous administration of the province is under a *preside*, a *vice-preside*, and a Provincial Rectorate, all appointed by the Minister of the Interior. Its chief functions are the supervision of

roads, secondary education, charitable institutions, and asylums. Prior to 1927 there was in addition an elective Provincial Council. This Council frequently exercised considerable power and through its president and "deputation" often made trouble for the prefect, especially when the local elections put parties in power hostile to the national administration. To coordinate the autonomous and the prefectural administrations there was an administrative *Giunta* assisting the prefect, whose members were selected from both the Provincial Council and the prefect's councilors. The fascists finally put an end to all this. There is no local self-government by elective bodies. Power is really centered in the prefect.

As was suggested in an earlier section, the municipality or commune (*comune*) is traditionally even more significant than the province. Up to 1926 the *comune* was governed by an elected Communal Council, which, in turn, elected a mayor (*sindaco*). Since several of the most important Communal Councils of the realm were socialistic when the fascists came into power, they had to be dislodged forcibly. After much debate and considerable opposition it was finally decided to end communal elections entirely. Accordingly the commune is now governed by a *podestà* (a medieval term for a magistrate), appointed by the Minister of the Interior (usually on recommendation of the prefect). In large cities or wherever it may seem advisable, the *podestà* may be aided by a *vice-podesta* and a *Consulta* or Advisory Council, also appointed by the central government. The City of Rome has a governor instead of a *podestà* to distinguish him and the capital city from the other communal governments, but his manner of appointment and powers are like those of any *podesta*. The communal government covers important and intimate

areas of social life public health and safety, public utilities, primary education, libraries and museums, charity, civil records and census, etc

It is still too soon to generalize concerning the quality of the fascist local government During the first few years hundreds of *podesta* proved inefficient or corrupt and were replaced There was less trouble with the prefects It is obvious, however, that hostility or at least unwillingness to cooperate is most apt to show itself in the communes, and that a new *podesta* (unless exceptionally wisely chosen and not on the usual basis of rewarding active Party men) has considerable resistance to overcome On the other hand, close cooperation between prefect and *podesta* and between the national and local centers of the bureaucracy can now be taken for granted, whereas previously friction was the rule

Fascism thus brought about a significant revolution in local government The local offices were, for the most part, put in new, often inexperienced, hands and the local forces of the old parties destroyed Local administration was definitely subordinated to national, and local officials were held responsible not by municipal elections but by discipline from above It has happened, however, not infrequently that prefects and *podesta* have been compelled to resign because orders from Rome were too unpopular locally to make their position tenable, or, on the other hand, that such evidences of local dissent have exerted direct pressure on national policy During the early history of fascism one of the major problems of Party discipline was the subordination to the national government of fascist leaders (like Roberto Farinacci, for example), who often continued to exercise their local power in defiance of the central authorities

## 5 *The bureaucracy*

There is little that needs to be said about the Italian civil service, since it is not distinctive, resembling especially that of France. Employees of the state are formally graded and an elaborate system of civil service examinations or of other schemes for competitive selection (*concorsi*) has been established ever since 1893. The highest ranks of public officials, with executive responsibilities in the government (technically those above the fifth class), are, of course, appointed at the will of the government. The only other exception to the competitive system is in the case of War veterans, who are favored when they apply for the lower branches of the service not requiring professional training (class C).

The chief changes that fascism has introduced are the following<sup>3</sup>. Public employees must be bona fide fascists and, as a rule, members of the Party. This is the practical essence of the clause in the Decree of December 30, 1923 providing that the employee's "good civil, moral, and political conduct is to be determined by the department alone." In the early years of fascism this provision naturally led to considerable "purification." A second fascist innovation is that state employees may be "elected" to the Chamber of Deputies. Thirdly, the syndical associations of public employees, while not forbidden except for certain specified groups,<sup>4</sup> are not legally recognized and hence do not belong to the system of national confederations. In other words, the government itself is not

<sup>3</sup> The basic fascist legislation is the Decree of December 30, 1923. For an English translation see Leonard D. White (ed.), *The civil service in the modern state* (Chicago, 1930), pp. 318-339.

<sup>4</sup> See below, p. 79.



obliged to negotiate collective contracts with its employees. On the other hand, the federations of public employees are given representation in the National Council of Corporations.

The Party hierarchy must not be confused with the state employees properly so called. Party offices are awarded as patronage. The offices in the confederations of syndicates, though theoretically elective, are also usually awarded as patronage, but with more regard for the technical qualifications of the office holders.

### 6 *The Fascist Party*

For several years after fascism had destroyed the other parties, there was active concern and debate about the fate of the Fascist Party. For to have only one party is an anomaly, to say the least. Some favored disbanding the Party organization altogether. Others were for turning the Party into a "cultural" instead of a political organization. The leading fascist politicians, however, Mussolini among them, for obvious reasons favored the "insertion" of the Party into the state. During the first four or five years the Party machinery and the Government, Party officials and prefects, the militia and the army, were continually interfering with each other, and some sort of integration became a necessity. In January 1927, in his famous "Circular to Prefects," Mussolini promised them support, saying that he would not "hand any prefect's scalp to a provincial [Party] secretary." In October 1926 the Grand Council of the Party issued a new Party constitution which abolished local elections within the Party, placed the provincial secretaries under the direct supervision of the General Secretary, and limited their functions in such a way that they could not interfere with local government. At

about the same time it was decided to close the doors of the Party except to the annual graduating class of the Advance Guard. In 1929 a still more strict discipline was imposed on the Party, and its constitution was made rigidly "hierarchical" and "military." All fascists who could not whole heartedly subscribe to this discipline were officially asked to resign at once.

According to the latest constitution of the Party, approved by the royal decree of November 17, 1932, and unalterable without the consent of the Government, the National Fascist Party is defined as a "civil militia, at the order of The Leader and at the service of the state." Strictly speaking, only the Grand Council is an organ of the state, the other organizations of the Party being an ever-ready help to the state in time of trouble, a training ground for the "governing class," and a "vital bond between the government and the masses, animating and educating the nation."

The Party's organization is strictly bureaucratic. At its head, next to The Leader, is the Secretary of the Party, appointed for a three year term by royal decree on nomination of The Leader and with the approval of the Grand Council. He is *ex officio* a member of several important political bodies and Secretary of the Grand Council. Assisting him are a Vice Secretary, Administrative Secretary, and a National Directory, nominated by The Leader with the consent of the Grand Council. The Directory is the central deliberative organ of the Party, shaping its policies, "assisting" the government, and exercising effective control over the whole hierarchy. The Leader, on nomination of the National Secretary, appoints the Federal Secretary of each province and the Federal Directory, as well as the Secretary of the University Group of each

province The Federal Secretaries<sup>5</sup> appoint the Political Secretary and five other members of the Directory of each communal *Fascio* The local or communal *Fascio*, from which the whole movement arose, still bears its original title, *Fascio di Combattimento*

On the annual *Leva fascista*, May 24, members of the *Giovani Fascisti* who have reached the age of twenty-one are admitted into a *Fascio* on taking the following oath "In the name of God and of Italy I swear that I will follow the order of The Leader without questioning, that I will serve the cause of the Fascist Revolution with all my powers and if necessary with my blood" There are a National Court of Discipline and Federal Commissions of Discipline<sup>6</sup> Occasionally the threat of expulsion is used as a general political measure, as for example in 1934, when the Secretary of the Party announced that members of the Party who did not promptly reduce rents and prices in conformity with the deflationary program would be expelled at once

<sup>5</sup> The Federal Secretaries when called together by the National Secretary constitute the National Council, but this body is of little importance beside the National Directory and the Grand Council It meets formally once a year and receives the reports of the national officers of the Party

<sup>6</sup> I quote from the official announcement of one of these disciplinary bodies "The Secretary of the Party has inflicted expulsion on M— A— of Verona on the following ground for not having remained true to his oath The Federal Secretary B— has inflicted 'surrender of membership card' on L— A— of Luigi on the following grounds having been assigned to a position of responsibility in regulating the placing of laborers, he betrayed the task assigned to him by dishonest and fraudulent acts The same punishment has been inflicted on P— A— because he lent himself to aiding a dishonest and fraudulent action by an employment agency at the expense of several unemployed workers These two have also been turned over to the police"

Until 1932 the Party was fairly exclusive. It was supposed to be confined to the "authentic" fascists of the "Revolution" and to the youth entering annually from the junior organizations, whom this older group was supposed to imbue with fascist virtues. But when the Party became officially the only voluntary political association of the Italian people, it seemed appropriate to open the doors to a larger percentage of citizens. In 1932 the Secretary announced five hundred thousand applications for membership. The old guard of "authentic youth" protested, fearing that their exclusive "governing class" would be buried under the hordes of fascists *de convenence* (whom they sometimes call derisively "1932 fascists"). Nevertheless the gates were opened fairly wide for several months in 1933 and have never been very tightly shut since then. In 1931 there were 1,147,760 members (including the junior and women's organizations), in 1932, 1,329,693. During the year XIII (October 1934—October 1935) alone over four hundred and fifty thousand men were admitted into the Party as members of the *Fasci di Combattimento*.

In October 1935 the membership was

Fasci di Combattimento	1,375,714
Gruppi Fascisti Universitari (Student organization)	70,325
Fasci Giovanili di Combattimento (Giovani Fascisti, aged 18-21, and Advance Guard, aged 14-18)	740,099
Fasci Femminili (Women's organization)	398,923
Gruppi Giovani Fasciste (Girls over 14 yrs)	128,191
Massaie Rurali (Farmers' wives)	241,694
	<hr/>
Total	2,954,946*

\* This is exclusive of the *Balilla* and other children's organizations

It is difficult to generalize regarding the work of the Party, since it varies considerably from province to province and from fascist to fascist. In addition to contributing conspicuously to political celebrations the fascist organizations attend to an immense amount of miscellaneous business: pasting patriotic posters, persecuting offenders, arbitrating private disputes, distributing patronage, bringing political pressure to bear on the negotiation of collective contracts, enforcing price regulations, and, in general, "intervening" wherever possible. A fascist has the duty of supervising the military drill and sports of the junior organizations, the encouragement of athletics being regarded as a highly important public service. A growing and valuable activity is the supervision of summer camps for the city poor on the seashore and in the mountains. The social services of the Party are now entrusted largely to the women's organization and are unified under the *Ente Opere assistenziali*, an organization which includes not only several specifically fascist agencies but also the Red Cross, Anti-tuberculosis Society, Day Nurseries, and other relatively independent societies. This organization collects voluntary contributions of about one hundred million lire annually. During the winter of 1933-4 over two million needy persons were given assistance in the form of fuel, food, medical care, or money. Much of the social work attributed to the Party, however, is done by agencies who have their own resources and are merely "disciplined" by the Party.

The funds at the disposal of the Party come from its membership fees, special income levies, and contributions. When mobilized for police or military duty a fascist receives regular pay from the state, otherwise he receives no remuneration (unless, of course, he holds a Party office, in

which case he is paid by the Party) The Grand Council, which is the only state organ of the Party, has no budget and can make no financial demands on the state

Inasmuch as we shall not treat of the army as such, this may be an appropriate place to mention the military and police functions of the Fascist Militia or *Milizia volontaria per la Sicurezza nazionale*. This Militia is now a separate, voluntary organization whose members, in addition to being members of the Party, assume special duties. As members of the Militia fascists are known as "Black Shirts." In peace time they serve chiefly as instructors in the pre-military training of the youth, as "political investigators," or as members of the secret police to suppress anti-fascist agitation. When mobilized as units of the army the Militia is assigned to specified services such as anti-air defense, assault battalions, scouting parties, etc. Every adult male must serve three years in the militia and one year in the regular army. Pre-military training is prescribed in the schools, in the *Balilla* and Advance Guard. The Fascist Militia should not be confused with the special militias (for railroads, ports, boundary patrols, forestry service, etc.) which existed before fascism and whose membership has naturally been "fascisticized."

### 7 *The Grand Council of Fascism*

We come now to the most authoritative organ of the fascist state, the Grand Council of Fascism. It was organized at the beginning of the regime as the central directive body. It was a small group, met frequently, discussed and decided all the important issues during the critical years of fascism, but as the government grew in power the Council of Ministers gradually became the working nucleus, and the Grand Council remained as an advisory rather

than an administrative body. After the National Directory of the Party took hold, this tendency was still further accentuated. When, by the Decree of December 9, 1928, the Grand Council was transformed into an organ of the state, it was already more authoritative than administrative. A year later it was reduced in size by eliminating all but four representatives of the Syndical Confederations and the representatives of several peripheral associations. Though not active in administration, it enjoys more power and authority in both Party and state than any other body. It meets in secret sessions several times a year, as circumstances may demand and upon call by The Leader, each meeting usually occupying two or three evenings. To it the Prime Minister gives a detailed report on foreign policy, on the interior, and on the work of the government in general. The Secretary of the Party then gives his report. These reports are formally discussed and approved. The discussion can be critical, though often it is perfunctory. When any basic differences appear, however, it is in the Grand Council that they are aired and debated.

The members of the Grand Council are divided into three groups, in addition to its President, who is at once The Leader of Fascism and Head of the Government: (1) members for life in virtue of their past services—the *Quadriviri* of the March on Rome (Michele Bianchi [deceased], Count De Vecchi, Marshal De Bono, and Marshal Balbo), (2) members in virtue of their offices and during the term of their office—the Presidents of the Senate and Chamber of Deputies, the Ministers of State for Foreign Affairs, Interior, Justice, Finance, Education, Agriculture, and Corporations (to which the Minister of the Press and Publicity was added in December 1935), the

Commander General of the Militia, the Secretary General and Vice Secretaries of the Party, the President of the Italian Academy, the President of the Special Court for the Defense of the State, the Presidents of the National Confederations of Industry (Employers), of Agriculture (Employers), of Industrial Workers, and of Agricultural Workers, the President of the National Fascist Institute of Culture, and (3) members nominated by the Prime Minister for a period of three years for "having served well the nation and the cause of the Fascist Revolution" <sup>7</sup>

The chief functions of the Grand Council are to present to the King candidates for vacancies in the Ministries, including the Prime Minister, to make the list of deputies to be submitted to the voters, to advise the Head of the Government on "any political, economic, or social question of a national character", to ratify the successor to the throne, to approve or amend bills of constitutional significance, the powers and decrees of the Government (except that it can not restrict the powers of the Prime Minister), the corporative organization, treaties involving territorial gains or losses, etc. The courts are directed by law not to enforce any constitutional law that has not been approved by the Grand Council

In view of these important functions, the Grand Council is obviously designed as the central authority outside the Government itself. All constitutional legislation, though not actually done by it, must have its approval, and though the Prime Minister is not by law compelled

<sup>7</sup> In 1935 this group consisted of Alberto De Stefani, Alfredo Rocco (died in August 1935), Roberto Farinacci, Giovanni Marinelli, Dino Grandi, and Giuseppe Bottai. Early in 1929 Mussolini excluded the Presidents of the Senate and Chamber of Deputies, but they were reinstated by the revised constitution of December of that year.



to call it regularly or submit a detailed report to it, in practice he must do so to keep its confidence. It is perhaps idle to raise the question of the competence of such a body to guide the affairs of the nation. It includes practically all the persons of central authority and administrative experience in the state, and from this point of view may be regarded as composed of highly "responsible" officials. It also represents fairly adequately the various organized interests and pressure groups of the nation. Whether it is a representative group for the nation at large depends on the extent to which fascism can embrace the interests of all groups and classes of the nation. Formal political representation has, of course, been done away with radically, and there could not be party representation in any sense. Whether the Grand Council can be controlled by the Prime Minister and, if need be, "packed" by him is another speculative question. He could appoint his supporters for a three-year term, and the number of his personal appointees is not explicitly limited. But it is more than probable that his closest associates will already be members, since they are apt to be in the Government. That, directly or indirectly, the Council is selected by the Prime Minister is obvious. It is composed largely of his chief supporters. But for that very reason he can not afford to lose its support. A dictator can not dictate to every one. The Grand Council, even though it is *his* council, can not be re-created at will nor ignored. It is the more stable body, and to it the continuity of the Government is largely entrusted. In short, it is more probable that the Prime Minister will be the spokesman of the Council than vice versa. And it is more than probable that in reality as well as by right the selection of a new Prime Minister will be made by the Grand Council. That the Chamber of Depu-

ties is at the mercy of the Grand Council is obvious. There are only two ways (in addition to the power of the Prime Minister) in which the power of the Grand Council could be curbed: the King could refuse to appoint any of its nominees for Prime Minister, or the voters could refuse to elect its official list for the Chamber. But what would happen in either case is scarcely worth considering at present, for the fortunes of the Grand Council and of the Fascist Regime are undoubtedly identical. Though the fascist state is enormously indebted to Mussolini, it is no longer dependent on him personally, it has an organic and corporate existence.

### *8 The legislative power*

Article 3 of the Constitution reads "The legislative power shall be exercised collectively by the King and the two Houses," and Article 10 reads "The initiative in legislation shall belong both to the King and to each of the two Houses." Such "collective" legislative responsibility was obviously and purposely left vague. The distinction between the legislative power and the executive is less clear than ever now that the executive can pass decrees having the force of laws unless repudiated by the legislature. The law granting this power to the executive (January 31, 1926) really made explicit a practice which had grown up before fascism. Originally the power of issuing decrees was limited to emergencies such as changes in tariff schedules and the decreeing of martial law, but during the "emergency" of the War executive decrees were tolerated on a large scale. The law of 1926 provides (1) That royal decrees have the force of laws if they are made for the purpose of (a) executing existing laws, (b) exercising the normal executive power, or (c) administration. But

all decrees pertaining to finance, local government, the judiciary, or the universities must have the approval of parliament (2) State contracts and financial obligations can be negotiated by the executive with the approval of the Council of Ministers and the Council of State<sup>8</sup> (3) Decrees are legal (as in the past) when the power is delegated by parliament for a specific purpose As emergency measures, however, they must be submitted to parliament within three sessions and are automatically void after two years if not so submitted

This basic law of fascist reform gives the executive practically complete freedom of action and, when coupled with the legislative power attributed to the Grand Council, reduces the function of the legislature to making technical criticisms and minor amendments to Government bills It also changes radically the character of legislation, for decrees can be made and unmade easily They are usually issued hurriedly to meet particular problems and are limited both in application and duration<sup>9</sup> Administration thus becomes more flexible and takes effect swiftly, but it is also less systematic and consistent Lawyers are more necessary than ever, and their life is not a pleasant one

Parliament is, therefore, at present more a survival than

<sup>8</sup> See above, p 37

<sup>9</sup> In general many of these apparently dictatorial decrees turn out to be genial suggestions! Some are even timid experiments, quietly and quickly dropped when they arouse opposition This experimental aspect of legislation is a commonplace of political experience which foreign students of dictatorships are particularly prone to forget Even dictation is an art that must be learned and the most formidable regimes must occasionally stoop to the tactics of the desperate parent who finally said to the child "Well then, *don't* do it, I *must* be obeyed!"

a power For, now that the Chamber of Deputies is hand-picked by the Grand Council to begin with and even has its order of the day determined by the Government, it could not conceivably initiate any serious opposition to the policies of the Regime Such opposition might develop in the Senate, since senators are chosen for life But new senators can always be appointed, and in a regime of "youth" even the Senate has become many years younger, though forty years is still the minimum age for eligibility

The Senate is almost the only institution the fascists have not touched seriously,<sup>10</sup> and this is not strange, for there was little democracy in it of which it needed to be purged It has been for at least a generation largely an honorary body, that is, composed of distinguished persons whom the government wished to honor It has taken a serious hand in legislation as a corporate body only on a few critical occasions The speech of a distinguished senator may now and then receive attention, but usually because of his personal prestige On the whole, however, the Senate is a more respected body now than it was in democratic days

Senators are appointed for life by the King on nomination of the Prime Minister and after consultation with the Council of Ministers Princes of the royal family (when they reach the age of twenty one) are automatically senators Others, an indefinite number, are chosen from among the bishops, ambassadors, generals, ministers, deputies (after at least six years of service), educators, scientists, members of the Italian Academy, etc In 1935 the Senate had four hundred and fifty-five members, of whom over 60 per cent were appointed after 1922 and about

<sup>10</sup> Individual senators, of course, have been "touched"

30 per cent since 1929 It was composed about as follows

	<i>Percentage</i>
Men of public affairs (Government officials, deputies, Party leaders)	22
Professors and scholars	18
Army and navy officers	14
Members of the royal family and nobility	12
Judges	6
Diplomats	5
Journalists	4
Industrialists	5
Agriculturalists	4
Men of letters and artists	3
Engineers	2
Physicians	1
Miscellaneous	4

The President of the Senate is appointed by the King, which probably means by the Prime Minister, though in the past the Senate itself has nominated its President by secret ballot The work of the Senate is divided among seven offices and three permanent commissions (one to examine the finances of the state, one to verify the qualifications of new senators, and one on Senate rules)

The Chamber of Deputies, as has been suggested above, is now only nominally composed of "deputies" The Commission on Constitutional Reform suggested that a new type of Chamber be devised, based on economic representation Giving at least formal recognition to this suggestion, the law of May 17, 1928 on Political Representation effected the following scheme Every five years the syndical confederations propose eight hundred candidates to the Grand Council, various public bodies (*enti morali*) suggest two hundred more The Grand Council selects four hundred from this list of a thousand names (though it may, if it chooses, go outside the list of candidates pro-

posed These four hundred names are published and the voters are asked to approve or disapprove the list as a whole In 1929 the selection was made as indicated in the following table

## SELECTION OF CHAMBER OF DEPUTIES 1929

Organizations	Number of Candidates Suggested	Number Selected by Grand Council	Percentage of Selected to Suggested Candidates Av = $\frac{400}{1000} = 40\%$	Percent age of Selected Candidates to Total 400
<b>Employers Confederations</b>				
Agriculture	96	46		
Industry	80	31		
Commerce	48	16		
Marine Transportation	40	10		
Land Transportation	32	12		
Banks	24	10		
<i>Total</i>	320	125	39	31 25
<b>Employees Confederations</b>				
Agriculture	96	27		
Industry	80	26		
Commerce	48	10		
Marine Transportation	40	11		
Land Transportation	32	9		
Banks	24	6		
<i>Total</i>	320	89	28	22 25
<b>Liberal Professions and Arts</b>	160	82	51	20 50
<i>Syndicates Total</i>	800	296		
<b>State Employees</b>				
Civil Servants	28	7	27	2 50
R R Post Office etc	9	3		
Universities	30	15	44	6 00
Secondary Schools	15	5		
Primary Schools	10	4		
<i>Total</i>	92	34		
<b>War Veterans</b>	45	40	72	13 50
Wounded Veterans	30	14		
Academies of Arts and Sciences	9	2	40	2 25
Centro Nazionale (Catholic)	8	4		
Fascist Institute of Culture	3	1	50	0 25
Institute of Fine Arts	2	2		
Dante Alighieri Society	2	1	100	1 00
Navy League	1	0		
Colonial Institute	1	1	25	0 25
Opera Nazionale Dopolavoro (Workers Recreation)	1	1		
Olympic Games Committee	1	1	100	0 25
Touring Club	1	1		
Cooperatives	1	0	100	0 25
Reclamation Consortiums	1	0		
Public Investment and Savings Institutions	2	1	100	0 25
Musgolini	1	1		
<i>Public Bodies Total</i>	200	104		

Mathematically inclined readers may get a rough scale of fascist values by averaging the ranking of these groups in the two percentage columns on the right. It is obvious that the Veterans, the liberal professions, and the employers are the most favored groups. This is fairly representative of fascism, but Mussolini himself said after the 1929 election that he hoped future elections would be more corporative. In the 1934 elections the list of the thousand suggested candidates was never published, and hence it is impossible to estimate the differences in the representation of groups. The distribution of candidates allowed to the various public bodies (which is determined by a parliamentary commission) was changed slightly. The emphasis in 1934 was placed even less on representation (whether corporative or otherwise) than in 1929.

Of the four hundred deputies elected in 1934, twenty-eight are federal secretaries of the Party and one hundred and forty four are new members.

By Regions and occupations the legislature stands as follows

CHAMBER OF DEPUTIES—REGIONAL DISTRIBUTION

<i>North</i> —151		<i>Central</i> —186		<i>South</i> —63	
Fmlia	47	Latium		Campania	22
Lombardy	42	(Rome)	134	Sicily	17
The Three		Tuscany	29	Calabria	12
Venetias	24	Marches	9	Puglie	6
Piedmont	22	Abruzzi	8	Sardinia	4
Liguria	16	Umbria	6	Lucania	2

CHAMBER OF DEPUTIES—OCCUPATIONAL DISTRIBUTION

<i>Professions</i>		215	Scientists	12
Lawyers	99		Artists	4
Engineers	38		Educators	3
Professors	34		Judges	3
Physicians	20		Architects	2

## CHAMBER OF DEPUTIES—OCCUPATIONAL DISTRIBUTION

<i>Agriculture</i>		45	<i>Journalists</i>	36
Agriculturalists	27		<i>Army and Navy Of-</i>	
Agricultural Scien-			<i>ficers</i>	20
tists	16		<i>Commerce</i>	19
Agricultural Laborer	1		Accountants	16
Shepherd	1		Bankers	2
<i>Industry</i>		36	Merchant	1
Industrialists	28		<i>Organizers (of Syndi-</i>	
Office Employees	4		<i>cates)</i>	14
Mechanics	3		<i>Miscellaneous</i>	15
Artisan	1			

It is evident from these figures that the occupations of representatives do not correspond very closely to the occupations represented, but this would be true of any legislature <sup>11</sup>

Practically all male citizens of at least twenty one years of age (eighteen years if married and fathers) can vote, but the formal qualifications are (1) liability to payment of syndical dues (which includes all employers, all employees except state employees, and all professions), (2) payment of one hundred lire direct taxes or income of five hundred lire from government bonds, (3) employment by the state or local government, (4) the clergy

In 1934 the total vote was over ten million, of which 99 84 per cent were "yes" <sup>12</sup> In 1929 the total vote was

<sup>11</sup> See the generally similar occupational distribution for the 1921 legislature in Henry Russell Spencer, *Government and politics of Italy* (New York, 1932), p 162

<sup>12</sup> It may be of interest to note the following figures on the regional distribution of the 15,238 "no" votes in the 1934 election

Lombardy	6,124	Emilia	1,887
Venetia Tridentine and		Piedmont	1,422
Julia	2,827	Liguria	844



about eight and one-half million, of which over 98 per cent voted "yes" (though in some of the larger cities of the North opposition as high as 6 per cent was registered) In 1924, the last election on the old basis, though even then the fascists had corrupted the party scheme considerably, the total vote was about seven and one half million, of which about one half was fascist In 1919 the total vote was about four and one half million, of which about one-third was socialist Voting has thus changed radically both in volume and in significance The vote for deputies is now frankly regarded as merely a plebiscite to test the strength of the Regime No one knows precisely what such a vote signifies, whether effective intimidation or popular enthusiasm It is clear, however, that it is not a means for the expression of a variety of opinions on a variety of issues In fascism it is not public opinion but popular sentiment that is supposed to be expressed by means of the ballot

In case the official list should be rejected by the electorate, the law provides a second election with competing lists as follows All "associations" with more than five thousand members may present lists of candidates, but no

Tuscany	671	Campania	74
Latium	651	Umbria	21
Venetia	376	Abruzzi	14
Marches	172	Puglie-Calabria	13
Sicily and Sardinia	142		

These figures should not be taken as indicative of the *extent* of opposition, but they may reflect fairly accurately its distribution The industrial centers of the Po valley and the newly-won regions of the Northeast account for most of it The provinces which returned the largest "no" vote are the following (in order of the size of the "no" vote) Milan (5,211), Udine, Turin, Verona, Rome, Bolzano, Bergamo, Genoa (439) The South showed practically no opposition

list may contain more than three-fourths of the total number to be elected. The list receiving a plurality, being elected, will thus receive three fourths the number of deputies. The remaining one fourth will be distributed proportionately among the minority "associations." Such an event would revive a certain degree of "electionism," but the event is not probable in the near future, for it is practically certain in view of Mussolini's repeated statements since 1933 (notably in March 1936) that even before a new regular election of deputies would be called in 1939, the present Chamber will have given way to the Council of Corporations or to some combination of representatives of the corporations and the Party.

The Chamber of Deputies in session is organized much as others are. The significant feature of the fascist parliament is that no matter can be made an order of the day in either the Chamber or the Senate without the consent of the Prime Minister. Though this gives legislative initiative almost entirely to the Government, it does not mark a violent change in practice, since even in the old parliament almost all bills originated in the Ministries. It makes it impossible, however, for the legislature to oppose the Government, if it should desire to do so. Deputies may interrogate Ministers concerning their policies and measures and, if the reply is not satisfactory, may ask for a motion to discuss the matter or, in case of criminal offense, may bring them before the high court, but no vote of confidence or anything similar to parliamentary control over the cabinet is possible.

### 9 *The judiciary*

The general system of courts remains today essentially unchanged with one exception—the highest court, the Court

of Cassation, has been unified, with its seat in Rome, whereas before the Fascist Regime there were five independent Courts of Cassation in spite of the fact that the codes of law had been unified. This highest court tries only cases involving errors or irregularities in the procedure or judgment of the lower courts. Under it are the Courts of Appeals, the Courts of Assize (for penal cases), the Tribunals, and lastly the praetors or justices of the peace.

All judges are irremovable after three years of service except in case of a criminal offense or neglect of duty. In 1925, when the so-called "purification of the bureaucracy" took place, the independence of the courts was violated to remove or demote some of the most active anti-fascists, but since then the judiciary has not been touched and is, or at least can be, a genuinely independent body in its judicial decisions.

The *Statuto* explicitly proclaims the principle that "no one shall be taken from the jurisdiction of his natural judges." This provision has also tended to guarantee regular procedure in the face of political pressure. The only way in which the fascists have circumvented the regular court procedure is by the Law for the Defense of the State, November 25, 1926, which established a Special Tribunal for the Defense of the State. Before this special court, usually as a result of the work of the secret police, active anti-fascists are brought and sentenced. The favorite punishment is banishment to the Lipari Islands for a period of years. Usually the sentences are alleviated on promises of good behavior, and on the occasion of the twenty fifth anniversary of the King's reign, 1925, hundreds were amnestied. However, this fascist tribunal still exercises a stern control over anything anti-fascist. The Senate, as in

other countries, sits as a high special tribunal to try senators or Ministers accused by the Chamber of Deputies. In another section we have already mentioned the Council of State, the highest administrative tribunal. It had a famous "Fifth Session" for the special purpose of exercising a judicial check on the administration of the government, but the fascists unified it with the "Fourth Session," thus robbing the Council of State of much of its competence.

The new penal code, prepared under the guidance of the Minister of Justice, Alfredo Rocco, is of considerable importance. Among its notable features is the abolition of the jury system and substitution for it of *collegi di assessori*, composed of persons outside the judiciary and of "high moral and cultural standing," to assist the judges in hearing serious criminal cases and passing judgment. In various ways the code removes those democratic judicial practices which had been devised to protect the individual against oppression by the government. Prosecuting attorneys, police, and other agents of the state are protected against possible suits by supposed offenders, and citizens are largely dependent on the sense of justice of the Minister of Justice, who alone can discipline magistrates when charges are brought against them. Appeals are discouraged. Other features of the code are the restoration of the death penalty, the institution of more severe penalties in general, the limitation of pardon to juvenile offenders, the restriction of divorce, and a system of preventive measures against the feeble-minded, maniacs, and other "dangerous" persons with "criminal tendencies." A distinction is made between "safety measures" and punishment. The educative nature of punishment is asserted, and prisoners are obliged to work. The code gives Italy a fairly unified system of law, adapting some features of modern thought

to traditional jurisprudence Alfredo Rocco's draft, which had a certain theoretical unity based on his positivistic philosophy of law, was revised by a parliamentary commission. As it stands the code is neither very "modern" nor thoroughly consistent, but it marks several significant changes both in court procedure and in legal theory.

An important new court has been created, the Labor Court, for the enforcement of collective labor contracts, but to this we shall return after we have discussed the other features of the corporative system.

### 10 *Taxation*

The Fascist Regime has not changed the general system of Italian taxation. About 30 per cent of the national income now goes to the government, though in "normal" times, if these should ever return, 20 per cent suffices. This includes the compulsory dues for social insurance and syndicates amounting to about 5 per cent in the case of employees and 12 per cent in the case of employers.

The distinctive fascist contributions to the fiscal system are the following: (1) the abolition or reduction of the socialistic taxes on capital and inheritances,<sup>13</sup> though the equivalents of some of them have recently been restored, notably the 10 per cent tax on dividends,<sup>14</sup> (2) the tax on bachelors, (3) the protectionist use of tariff duties,<sup>15</sup> (4) the syndical dues.<sup>16</sup>

Taxes are of three kinds: fees (*tasse*) for specific services, imposts (*imposte*), and income from state monopolies and lotteries. The following table will give a general idea of the range and amount of these taxes for 1934.

<sup>13</sup> See below, p. 103

<sup>14</sup> See below, p. 117

<sup>15</sup> See below, p. 131

<sup>16</sup> See below, p. 80

## INCOME OF GOVERNMENT 1933-1934—IN MILLIONS OF LIRE

## FEES

*For legalizing the following transactions or services*

Deeds and business successions	133
Wills	25
Mortgages	139
Concessions	165
Registrations, receipts, and other legal papers	1,550
Sales, contracts, rents, and other legal exchanges	1,052
Licenses for automobiles and other vehicles	172
Theatre tickets	68
Railroad tickets (including freight)	16
Playing cards	8
Miscellaneous (advertisements, radios, water, safety-deposit boxes, etc )	82
Total	3,410

## IMPOSTS

*Direct taxes on property*

Real estate (10 per cent of income from farms and factories)	487
Income from stocks and bonds (4-10 per cent)	3,540
Inheritance (1-50 per cent)	391
War profits	3
Bachelors (over 25 years of age)	116
Miscellaneous	1
Total	4,538

*Indirect taxes on consumption (including sales taxes)*

Customs duties	2,322
Sugar	1,122
Liquors and beer	178
Coffee	474
Vegetable oils	49
Gas and electric light and heat	256
Miscellaneous	153

Total	4,554
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## 64 THE STRUCTURE OF THE FASCIST STATE

## GOVERNMENT MONOPOLIES

Tobacco	2,495
Salt	321
Matches	122
Lotteries	519
Miscellaneous	14
<b>Total</b>	<b>3,471</b>
<b>Total Taxes</b>	<b>15,973</b>

## OTHER INCOME

<i>From railroads, post, telegraph, telephone, etc</i>	236
<i>From state property</i>	121
<i>Miscellaneous</i>	
<b>Total Income</b>	<b>18,057*</b>

This income was spent approximately as follows

## EXPENDITURES OF GOVERNMENT 1933-1934—IN MILLIONS OF LIRE

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Interest on public debt	4,609
Administration of public finances	2,062
Army, navy, and military aviation	4,300
Public works	2,000
Public education	1,764
Public services and administration of government	1,362
Economic services and subventions	1,344
Commerce	605
Industry	402
Agriculture	337
War pensions and aid	1,166
Police and special militias	928
Ministry of Justice	509
Colonies	456
Public welfare and relief	212

\* These statistics and those below are taken from the *Annuario Statistico* 1934, and from the detailed report on the budget by the Ministry of Finance, published under the title *La Finanza Statale dell'Anno XII (Esercizio 1933 34)*

Diplomatic service	183
Churches and clergy	80
Total	20,975

The deficit was more than covered by an increase in the internal indebtedness of about three and one-half billion lire, but this increase accounts only in part for the approximately seven billion lire of "extraordinary" expenditures not included in the regular budget

For purposes of comparison with the year previous to the Fascist Regime and with the year previous to the depression, the following summary may be useful, but it must be remembered that the lira fluctuated considerably during these years

PER CAPITA GOVERNMENT INCOME AND EXPENDITURES—IN LIRE

	<i>Income</i>	<i>Expenditure</i>
	<i>(largely from taxes)</i>	
1921-2	518	933
1928-9	500	486
1933-4	428	579



## CHAPTER IV

### THE CORPORATIVE SYSTEM

#### 1 *The growth of corporative politics and legislation*

Whether or not fascism will mark a genuine revolution in Italian government depends largely on its ability to put into practical operation the corporative institutions it has created, for there can be no doubt that a national economy administered by these institutions is a significant transformation of the state as well as of economics. Inasmuch as this new order is still in process of creation and its operation still in its infancy, this account of it may be antiquated almost as soon as it is published. The reader must therefore be attentive to subsequent events and not regard the structure here outlined as final. A brief account of the circumstances that have guided the formation of these institutions may serve to give an impression of the fluidity of the whole corporative movement. They may be regarded as the product of certain syndicalists' conversion to nationalism (leading to the formation of national syndicates) and of certain nationalists' conversion to syndicalism (leading to the formation of corporations). Fascism, failing to achieve an integration of these two currents, has maintained them parallel to each other, hoping ultimately to create a genuine synthesis. Of this gradual merging of nationalistic syndicalism and syndicalistic nationalism we must now give a brief outline.

The chief fascist champion of national syndicalism has been Edmondo Rossoni, now Senator and Minister of Agriculture and Forests. He tells of his conversion to nationalism as follows

“In 1912 when I was organizing Italian workers in North America, far from my country, I felt that it is absolutely necessary to spread class nationalism, for we must defend not merely workers but Italians. We who for many years have lived in foreign countries and in our long and bitter exile have learned to know and to live the life of an Italian removed from his native land, have begun to understand and feel how the fortunes of Italian workers are indissolubly bound to the fortunes of the Italian nation.

We have seen our workers exploited and held in contempt not only by capitalists but even by their revolutionary comrades of other countries. Hence we know by experience that internationalism is but a fiction and hypocrisy. Therefore we must above all work for our country and love our country.”<sup>1</sup>

After the collapse of the so-called Red Revolution in the fall of 1920, which left the industrial workers in a bad state of disorganization, patriotic syndicates began to grow rapidly. Despairing of the efficacy of communist leadership, revolutionists of all classes flocked into them. In agriculture, where the distinction between employer and employee is less clear, Rossoni even succeeded in organizing “mixed” syndicates, in which small proprietors and peasants belonged to the same syndicate. As a result of these moves the *Unione federale italiana delle Corporazioni* was formed. The name of this consolidated organization, whose secretary Rossoni became, was later changed

<sup>1</sup> Rossoni, *Le idee della ricostruzione* (Florence, 1923), pp. 10, 56, 59.

to the *Confederazione delle Corporazioni sindacali fasciste*, and after the March on Rome it became an integral part of the Fascist Regime

While these developments were transpiring in the labor field, another series of events suddenly added prestige to the syndicates. D'Annunzio and his band had taken Fiume and had published his constitution for the Fiume district, the *Carta della Reggenza italiana del Carnaro*. This famous document outlined a system of ten "corporations" into which all the citizens of the state were to be organized. The effect of this document on Italian syndicalism can easily be imagined. Nationalism and syndicalism soon joined hands in corporatism.

Meanwhile opposition kept pouring in upon fascist syndicalism from the right wing of the Party. De Stefani, Minister of Finance during the crisis of 1924 and an economical kind of economist, was opposed to it. Many agriculturalists, though they had been Rossoni's mainstay throughout the fight on the red leagues, became suspicious when they saw the old labor tactics creeping in under new colors. While such views were being expressed by agriculturalists, the industrialists had also let their attitude be known. The Confederation of Industry, which represented industrial employers and which had quietly become the General Fascist Confederation of Industry, proved even more unbending towards the Rossoni corporations than was the Confederation of Agriculture. It insisted that the corporations would have to be "de-integralized" and the syndicates could not be "mixed." Rossoni was reminded that he had been told once before that he and his confederations would not be allowed to have a monopoly over the political organization of Italian economic life. And before Parliament had a chance to take up the pro-

posed constitutional reform, the Confederation of Industry forced a compromise

The outcome of this compromise was the Law of April 3, 1926, entitled "The Legal Discipline of Collective Labor Relations," which marks the beginning of the fascist corporative legislation. This law consists of twenty three articles divided into three parts. In the first part, both the confederations of fascist labor syndicates and the confederations of fascist employers are legally recognized and their collective contracts are made binding, in the second, compulsory labor tribunals are established, and in the third, strikes and lockouts are prohibited. Employers and employees were now compelled to abide by collective agreements, but this law did not establish any political machinery for compelling the cooperation of the two rival sets of confederations,<sup>2</sup> a cooperation which was obviously lacking in practice though assumed in corporative philosophy. This situation led to the Decree of July 1, 1926 entitled "Rules and Regulations," which established a Ministry of Corporations and entrusted it with forming "central administrative organs of coordination" to be known as corporations.

Mussolini, in line with his general policy, made himself Minister of Corporations. This immediately gave "corporatism" immense popularity and prestige. However, Mussolini had already told the Grand Council in very strong

<sup>2</sup> The law mentioned the possibility of having only two confederations, one for employers and one for employees. Rossoni already had a single, powerful workers confederation and hoped that by permitting employers a similar organization he could keep it intact. The Confederations of Industry, Agriculture, and others, however, were traditionally too independent to consolidate, and finally in 1928 Rossoni was obliged to split his confederation into several, paralleling the employers organizations.

language that he would not stand for an elaborate bureaucracy of politicians in the Ministry, that he proposed to establish corporations only when and where there was a definite call for them, and that he would put them under the direction of a few competent men, actively engaged in the business which was being corporated. As a result only a single corporation had been formally created by 1933, when the next great step in corporative legislation was made.

Meanwhile, April 21, 1927, the Labor Charter was published. It had been urged and largely designed by Rossoni in order to provide a definite legal basis on which the collective labor contracts and the labor tribunals could operate. Rossoni hoped for a code of labor law and published a legalistic draft on this basis, but this was too ambitious a program under the circumstances. The Charter confines itself largely to formulating general principles for labor contracts and tribunals, but as such the provisions of the Charter are significant.

The Charter contains thirty articles, grouped under four heads. The first ten, entitled "On the Corporate State and its Organization," are a summary exposition of the principles and chief provisions of the legislation which we have outlined above. Numbers 11 to 25 are concerned with "The Collective Labor Contract and Labor Guarantees." Here the collective contracts are explicitly made obligatory, and each such contract must contain precise regulations on all matters concerning labor. But in place of the minimum wage and eight hour day provisions in Rossoni's draft the Charter merely lays down the general principle that no fixed rule whatsoever can be prescribed, that salaries must be regulated by fluctuations in the normal cost of living, in the general condition of production, and

in the returns of labor, that the consequences of financial and economic crises must be borne equally by all the factors of production, and that the responsibility for determining them is to be placed on the corporations and the labor tribunals, on the basis of data furnished by the Central Institute of Statistics and by the various syndical organizations. On the subjects of regulation of piecework production, night work, a weekly holiday, an annual paid vacation, dismissal, death and sickness benefits, military service, change of ownership, and such matters, the Charter is more definite. Articles 22 to 25 provide for compulsory government employment bureaus under the Ministry of Corporations. Articles 26 to 30 concern labor insurance, assistance, education, and apprenticeship. In general, the Charter is rightly and unanimously hailed by the fascist syndicalists as the embodiment of their reforms.

The development to this point was largely dictated by the labor problem and was intended to meet that problem along the lines of nationalistic syndicalism. Even the Ministry of Corporations was conceived primarily as an "organ of coordination" for the confederations of employers and employees. The ambitious ideas of corporatism as sponsored by the syndicalistic nationalists were still left without practical embodiment. In practice the fascist state was at this stage little more than an "interventionist" state from the point of view of national economy. Though the labor problem had been given a thoroughly fascist solution, the larger problem of national production had scarcely been touched systematically. There seemed to be a general hope, as there was in most other countries, that if business were let alone and freed from labor terrorism it would soon of its own initiative and resources return to prosperity.

These illusions were shattered during the years 1930-1933 by the increasing severity of the depression. One after another Italian industries, banks, and businesses came to the government for rescue, asking for subsidies, monopolies, protective duties, and, of course, for reduction of labor costs, until in 1934 Mussolini complained that three-fourths of the nation's business was resting on the shoulders of the government. In his address to the Senate, January 13, 1934, he said, "The intervention of the state is no longer cursed, it is solicited. The state *must* intervene? Certainly! But *how?*" Obviously a more systematic method of intervention was needed, and this situation led directly to the most recent phases of corporative reform. A beginning was made in March 1930, when the National Council of Corporations, already vaguely outlined in 1926, when the Ministry of Corporations had been decreed, was definitely established. It was composed not only of representatives from the syndical confederations, organized into seven sections corresponding to the confederations, but of experts, economists, and politicians, organized into commissions for the regulation of particular interests. It was under the presidency of the Minister of Corporations himself (Mussolini) and was to exercise not only advisory but regulatory powers. When all the sections and commissions were convened in general assembly, the National Council came to about one hundred and fifty members. The Council was to recommend the creation of corporations as need for them might arise, but the activities of the corporations were to be confined to making *voluntary* agreements among the associations represented, which agreements had no legal force unless passed by the Grand Council.

In spite of the intention to avoid merely bureaucratic

machinery, the Council thus organized proved to be little more than that. It was elaborate without being effective. It held sessions from October 1930 to the end of 1933, discussing the various problems submitted to it by the Minister of Corporations, but the practical and detailed work was being done by its special committees, or "corporations," and by the Central Corporative Committee. What was needed was a more definite organization of working units with power to regulate particular occupations and productive enterprises. In short, what was needed was permanently organized specific corporations, functioning both as organs of the state and as the "auto-discipline of production."

This culminating reform came with the Law of February 5, 1934, which established twenty two corporations, for as many distinct occupations or businesses, each with its own council and each charged with the systematic regulation of its own productive process. When assembled these Corporative Councils, totaling eight hundred and twenty-three members, constitute the reformed National Council of Corporations. And this National Council is supposed soon to take the place of the Chamber of Deputies. When this takes place the state will have become thoroughly corporative. To a more detailed analysis of this corporative structure and its present operation we now turn.

## 2 *The Ministry of Corporations*

At the apex of the corporative hierarchy stands the Ministry of Corporations. Mussolini himself is its Minister, but much of the pioneer work in organizing it was done by his Under Secretary from 1926 to 1932, Giuseppe Bottai, now Governor of the City of Rome. In 1929 this Ministry took over, in addition to its original task of administering



the fascist labor legislation, the work of the Ministry of National Economy. It therefore has the task, implied in the corporative idea, of exercising control over the whole economic life of the nation. (There is an exception in the case of agriculture, which still retains a separate Ministry. Though this Ministry of Agriculture and Forests is supposed to be restricted to land reclamation and other technical and scientific services, it also exercises jurisdiction over the general economic aspects of agriculture, especially now that Rossoni is the Minister.) To control the whole national economy is, of course, an impossible burden for any Ministry, at least at the present stage of corporative development, if taken literally. In practice, the work of the Ministry may be summarized under the following heads: (1) It inspects, approves, and legally recognizes the constitutions and officers of the syndical associations. Its recognition may be withdrawn from any association and it may dissolve the Directory of any association and appoint a commissioner for the purpose of supervising a reorganization. (2) It fixes the amounts and distribution of the compulsory syndical dues, by which the corporative institutions are supported. (3) It inspects and ratifies collective labor contracts and drafts labor legislation. (4) It intervenes directly as an arbitrator in collective labor controversies through its *Collegi di Conciliazione*. (5) It presides over the Council of each corporation, the Central Corporative Committee, and the National Council of Corporations and appoints some of their members. (6) It exercises supervision over unemployment, social insurance, the cooperatives, etc. (7) It carries on the traditional functions of the Ministries of Industry and Commerce, such as inspection of factories and mines, fuel research, patents and copyrights, commercial treaties, customs, weights and

measures, etc (8) It brings informal political pressure to bear on business wherever governmental policy or economic distress demand it

This Ministry is not as yet prepared to take the initiative in the general process of economic reorganization and is largely preoccupied either in the routine business of a bureau or in meeting particular crises as they are brought to its attention. A radical and effective governmental direction of the national economy may result from the practical functioning of the corporations. Meanwhile the Ministry has at least achieved its first task of drafting the legislation necessary for the realization of the corporative program.

The heart of the new corporative organism is the Central Corporative Committee of the Ministry of Corporations. At first its functions were limited to those of the Council of Corporations and its special sessions and commissions. When it became desirable to take speedy action in economic crises, instead of waiting for the sessions of the whole Council, a government decree (April 18, 1935) granted this Committee full powers, making its power to legislate in corporative matters analogous to the Ministry's power to make decrees. This Central Committee is composed as follows: (1) The Ministers of Corporations, Interior, Justice, Finance, Education, Public Works, Agriculture and Forests, and Communications, the Under Secretaries of Corporations and any other Ministers or Under Secretaries who may be serving as vice presidents of corporations. (2) The Secretary, Vice Secretary and Administrative Secretary of the Fascist Party, and any other members of the Party who may be acting as vice presidents of corporations. (3) The Presidents of the nine syndical confederations and of the National Association of Coopera-

tives (4) The General Secretary of the National Council of Corporations

It will be seen at once that this body includes most of the members of the Government (the Cabinet), the heads of the Party, and of the syndicates. Naturally, therefore, since it represents the combined powers and highest officers of the Regime, it exercises the greatest authority and makes the final decisions

### 3 *The syndical associations*

There are three basic types of syndical associations (1) Provincial and National Syndicates representing a single trade or occupation (*categoria*), these are called primary or unitary associations (2) Provincial Unions and National Federations, embracing a number of primary syndicates regionally, either provincially, inter provincially, or nationally, these are called secondary associations or "vertical" federations (3) National Confederations, organizing "horizontally" the various national federations into five basic groups (industry, agriculture, commerce, credit, and professions)

The primary unit is, therefore, the provincial syndicate, which until recently was called the provincial group of (supposedly communal) syndicates. In reality there are practically no communal syndicates (with the exception of those for the liberal professions and arts). This paradoxical situation is not so strange as it may at first appear. On the whole the actual work of determining labor conditions is more effective when conducted on a provincial or inter-provincial basis. Local syndicates would have little bargaining power. The real danger in the syndical hierarchy was the suffocation of the provincial syndicates, or unitary associations representing a single trade (*categoria*), under

their federations and confederations. The corporative reform of 1934 tended to counteract this danger. In introducing this reform to the Chamber, February 5, 1934, Mussolini said very pointedly

“The law of 1926 really erected its whole [syndical] system in terms of occupational categories and primary associations. The higher grades of associations [federations and confederations] were to be merely organs of coordination. In practice, the system developed in the opposite direction: the syndicate, the elementary association, which should keep in intimate touch with its individual members, lost its importance little by little and tended to atrophy, while the higher grades of associations became continually stronger and more highly organized. But it was precisely the syndicate that embodied the revolutionary spirit, while the associations of higher rank were by nature clearly administrative and bureaucratic organs. Thus, as the occupational category lost vitality and the confederations became powerful, syndicalism lost its revolutionary temper and gained in bureaucratic solidity. Article 7 [of the present law] is a reaction against this tendency and it certainly will help to turn fascist syndicalism back to the defiant revolutionary spirit of its origins.”

The reform of 1934 nevertheless provided that only national organizations could receive legal recognition to exercise public authority. This meant that hundreds of provincial federations (now called provincial unions) had to be reorganized as branches of the national federations on which they became dependent for their financial resources. Though the great majority of collective contracts are still provincial, they are negotiated through the provincial branches of the national federations, which, in turn,

have their offices in the provincial headquarters of their confederation

The syndical hierarchy, as it now stands, may be represented as follows

<i>National Confederations</i>	No of National Federations included	No of National Syndicates included	No of Provincial Syndicates	Approx % of total dues paid by Confederation	Approx % of those represented enrolled as members
<i>Employers</i>					
1 Industry	45	—	? *	27	60
2 Agriculture	4	—	?	25	20
3 Commerce	37	—	?	16	50
4 Credit and Insurance	13	—	?	2	30
<i>Employees</i>					
5 Industry	20	9	99	13	65
6 Agriculture	4	—	?	8	60
7 Commerce	5	—	?	5	55
8 Credit and Insurance	4	—	?	0.5	75
9 Liberal Professions and Arts	—	22	1,029 †	3.5	75

\* The provincial organizations of the confederations are at present being reorganized and definite figures are not available

† The local syndicates of the Confederation of Professions and Arts enjoy the same privileges as National Federations

Until the corporative reform of 1934, and largely for historical reasons, there were four additional confederations one each for employers and employees in Land Transportation and one each for employers and employees in Marine Transportation. These were incorporated into the respective confederations for Industry. The total num-

ber of syndical associations exercising public jurisdiction (excluding the provincial and local syndicates, except in the case of the professions) was reduced from one thousand eight hundred and nine to one thousand two hundred and one. Of these one thousand and twenty-nine are professional syndicates of minor importance. This leaves one hundred and seventy-two major associations (including the nine confederations) to negotiate collective contracts.

For any branch of labor or production only one association can be legally recognized, and it must have at least 10 per cent of those whom it proposes to represent inscribed as members before it can become the official representative. Technically the constitutional principle of freedom of association is not violated, since any number of *de facto* associations are permitted to exist. But in reality the *de jure* association has a monopoly of the functions for which such associations are formed, and its dues are compulsory for all persons "represented" by it, whether members or not. Under these circumstances it is not surprising that *de facto* associations do not exist, except in the case of state employees, whose associations are not official. The following groups are forbidden to organize in any way: members of the army and navy, police, magistrates, professors, students, and employees or agents of the Ministries of the Interior, Foreign Affairs, and Colonies.

The percentages of members of syndical associations with respect to the total number represented by the associations are growing. By not joining a person avoids the supplementary dues levied by the associations (with the permission of the government) for special services to members. The provisions of the collective contracts extend to members and non-members alike. The chief practical advantage, therefore, of being a member is having access to the

facilities of the associations in case of a dispute. Failure to join, therefore, is less a measure of hostility (though some hostility undoubtedly exists) than of either indifference or absence of disputes. Thus, for example, a large majority of small farmers with few employees have very little contact with or concern for the Confederation of Agriculturalists to which they must pay dues. The industrial confederations, on the other hand, enjoy an active support.

The syndical dues are practically a tax levied on all members of the national economy, on all "producer-citizens," to use the corporative terminology. Theoretically and approximately they amount to an annual levy on employers of one day's wage for each employee and on employees of one day's wage, but in practice a complicated system of assessments exists. The distribution of these dues among the federations and confederations is in the hands of the Ministry of Corporations. In 1934 their total amount was about two hundred and seventy-eight million lire, distributed as follows:

	<i>Million lire</i>
Syndicates, Federations, and Confederations	200
Public Benevolent Institutions ( <i>Opere nazionali</i> )	45
Ministry of Corporations	30
Guarantee fund (for fines, etc.)	3

Though these dues are no small item in the public finances, the fascists make quite a point of the fact that they amount to considerably less than was paid to labor organizations before the present regime.

A general form of constitution is prescribed for all the syndical federations and confederations. Their organs are a President or Secretary, a Council and a Board of Directors (*Giunta esecutiva*). The Council is composed of all the presidents (or secretaries) of the component associa-

tions It elects the Directors and President (or Secretary) of the federation, usually for a term of two years subject to re-election The Council meets at least once a year and the Board of Directors at least six times a year As was stated previously, officers are subject to the approval of the Minister of Corporations, who can remove them and ask a reorganization When the syndicates were being "fascisticized," this power was exercised frequently, but now the officers of the associations are fairly secure It is noteworthy that, though the government can interfere at any time, the associations are self governing This is practically the only survival in Italy of "electionism," or of office coming from below instead of from above Inasmuch as these associations elect representatives to the corporations, which, in turn, are to become the basis of corporative citizenship, supplanting the Chamber of Deputies, this vestige of democracy may still be of some significance<sup>3</sup>

#### 4 *Collective labor contracts*

The primary function of the syndical associations is the negotiation of collective labor contracts, which are published like laws in the official Gazette and are binding not only for all members but also for all persons within the occupations and areas specified by the contract That the associations have already accomplished an enormous task of regulation is evident from the fact that several thousand collective contracts are now in force By 1928 only one hundred and seventy-eight such contracts had been effected, by 1931 over six thousand were in force, in 1934 alone one thousand five hundred and twenty two were

<sup>3</sup> There is ample evidence, however, that the elections are not conducted democratically as a rule See the forthcoming work on the subject by G L Field



published Of these only about 8 per cent are national or inter-provincial, the rest are provincial contracts Roughly 60 per cent are made by the Confederations for Industry, 15 per cent for Agriculture, 20 per cent for Commerce, 2 per cent for Banking, and 3 per cent for the Professions and Arts Office employees (*impiegati*) are still outside the scheme of collective labor contracts, but negotiations are now under way to include them

Until 1929 there was a general disregard of these contracts among employers, in the absence of any effective machinery of enforcement The labor syndicates, however, with the support of the government and the slow but sure judgments of the courts, made their power evident By the summer of 1930 they had forced the Confederation of Industry alone to pay thirty million lire due labor on account of unenforcement or misapplication of collective contracts The reorganization of the former labor and factory inspectors into a body of corporate inspectors proved highly effective The inspectors were especially valuable in supporting individual complaints and in curbing the evasion of the social insurance and employment agency clauses in the contracts, by which evasions the employers secured cheaper labor than the contracts stipulated The unification and direct state control of all employment agencies and of accident insurance removed some of the causes of unenforcement

A typical contract, based on the prescriptions of the Labor Charter, covers the following wages, hours, vacations, trial periods and apprenticeship, promotions and seniority rights, conditions on which dismissal is permitted and indemnities for dismissal, medical service, and insurance The annual vacations vary considerably, but in industry they usually amount to from ten to fourteen days

after a year's work and they increase with the number of years the worker is employed. Compulsory accident and sickness insurance is similar to the systems of other European countries, but the benefits are relatively not very generous.<sup>4</sup> In industry and commerce nine-tenths of the contracts up to 1934 stipulated an eight-hour day and forty-eight-hour week, in spite of the fact that a government decree made the nine-hour day legal. In 1933, however, the confederations of employers and employees in industry agreed, for a trial period, to institute the forty-hour week. As a result about two hundred thousand unemployed found work. At the expiration of the trial period a government decree made the forty-hour week in industry general and permanent. The Saturday morning leisure thus gained is supposed to be devoted to fascist activities and is called the *sabato fascista*. In agriculture and commerce an analogous reduction of hours was adopted, though less rigid schemes had to be devised. In agriculture the hours vary considerably with the seasons, the average being somewhat higher than in industry. It must be noted, however, that the forty-hour week meant an equivalent reduction in wages (in many cases as high as 16 per cent), since wages are calculated on an hourly basis. The Labor Confederation was unsuccessful in obtaining a wage adjustment to offset the losses, and in some cases employers even maintained production without employing an equivalent number of new laborers from the ranks of the unemployed. In general, therefore, the Labor forces were rather bitter about their "victory" in introducing the forty-hour week.<sup>5</sup>

<sup>4</sup> See below, p. 143.

<sup>5</sup> The Federal Secretary from Turin reported that "after the reduction to forty hours the number on relief [in his province] was increased rather than diminished." See *Convegno Nazionale*

The problem of wages is, of course, the most serious item of these contracts. By their relative bargaining powers in fixing wages the effectiveness of the syndicates is ultimately measured, but unfortunately this effectiveness is exceedingly difficult to determine. Even granting that the available statistics are roughly reliable, it is certain that their interpretation with regard to the practical value of the collective contracts, enforced by law instead of by collective conflict, must remain a controversial question. Whether wages *ought* to be higher now than before the War, whether they would have been higher without fascism or with communism, whether the labor syndicates could have resisted the demands of the employers better than they did, are ultimately questions of conscience rather than of science. The few years during which the contracts have been in force have been years of a depression which certainly neither the contracts nor fascism have caused or could possibly have prevented. Labor has consequently been decidedly on the defensive and the technical ability

*dei Dirigenti dei Lavoratori dell'Industria* (Feb. 27-28, 1935), No. 3, p. 61

That the decree is flexible, permitting exceptions to the forty-hour maximum, is indicated by the following statement by the Ministry of Corporations, reporting the changes in industrial occupation for July 1935 over the preceding month: "The number of workers working less than forty hours decreased by 6.9 per cent, that of workers working between forty and forty-five hours also decreased by 4.1 per cent, while the number of workers working between forty-five and forty-eight hours increased 8.6 per cent, and that of workers working more than forty-eight hours increased 2.4 per cent." (*Sindacato e Corporazione*, August 1935, p. 437.) This announcement was greeted less as evidence of unenforcement than as a sign of recovery. Under existing circumstances laborers are more eager for extra paid labor than for a *sabato fascista*, and a prudent labor syndicate can not insist too strictly on the forty-hour week.

with which its syndicates have managed this defense is too large a question and too much a matter of economics to receive adequate treatment in this brief outline of politics. Comparisons with other countries and with pre-fascist conditions, though interesting and significant in themselves, prove nothing with respect to the collective labor contracts. A few of the relevant data may be submitted here, indicating the trends in recent years in Italy, leaving the larger question of the value of the fascist syndicates to the reader and the gods.

WAGES AND PRICES IN ITALY, 1929-1934<sup>6</sup>

	1929	1930	1931	1932	1933	1934	1935 (Sept)
Index of general cost of living 1927 = 100	94	91	82	78	75	71	71.8
Index of food prices 1927 = 100	96	91	79	74	70	67	69.5
Index of wholesale prices 1928 = 100	95	85	74	70	64	62	63(?)
Index of retail prices 1928 = 100	97	88	78	73	68	65	66(?)
Index of prices of farm produce 1928 = 100	93	80	69	65	55	56	60(?)
Index of cost of farm materials 1928 = 100	99	93	82	78	73	71	
Index of agricultural wages Hourly rates 1928 = 100	98	93	84	76	74	72	72
Index of industrial wages Hourly rates 1928 = 100	98	96	86	83	81	79	78(?)
Index of no. of laborers employed in industry 1929 = 100	100	96	88	79	77	80	85(?)
Index of no. of hours of labor in industry 1929 = 100	100	95	83	72	74	76	
Unemployment (in thousands)	300	425	734	1006	1018	963	609

<sup>6</sup> These statistics are based on the *Annuario Statistico Italiano*, 1935, and *Sindacato e Corporazione*, 1935. Similar figures, with some refinements can be found in Ernesto Cianci, "Il potere di acquisto della moneta in Italia," in *Rassegna Economica*, May 1935 pp 317-324. For conditions prior to 1930 see Carmen Haider, *Capital and labor under fascism*.

These approximate statistics are obviously not all commensurate, but they give a general picture of the effects of depression and deflation on wages and the cost of living. The indices for hourly wage rates must be supplemented by a consideration of the decrease in number of hours of labor, failures to enforce the contract rates, and other modifying factors. Economists are generally agreed, it seems, that whereas the cost of living decreased between 1928 and 1934 about 25 per cent, the actual income of laborers decreased about 20-40 per cent in industry and 30-50 per cent in agriculture. The difference between agricultural and industrial wages is not so great as may appear from the hourly rates, since the greater decline in agricultural hourly rates is offset by the greater number of hours of work available. That the depression has brought general hardships and a reduced standard of living is undeniable, but that this reduction (in view of the slightly reduced prices) is not excessive and not subject to as violent changes as in the United States (for example) is also evident. It appears that on the whole the class that suffered most was those farmers who were dependent on the sale of their produce, the prices of which declined most severely, the farm laborers were relatively more secure.

The average hourly rates for manual labor are (1934-5) in industry about 1.65 lire, in agriculture 1.12 lire for men and 0.65 lire for women and children. (The purchasing power of a lira during this year was roughly equivalent to that of ten cents in the United States.) These rates were higher by about 0.50 lire in 1928. A recent study<sup>7</sup> of real wages in agriculture from 1905-1933 resulted as follows:

<sup>7</sup> Paola M. Arcari, *I salari agricoli in Italia dal 1905 al 1933* (see *Annuario Statistico Italiano* 1935, p. 169)

*Index numbers for wages of agricultural laborers*

1913-14 = 100

1905-09	95	1930	149
1910-14	98	1931	148
1915-19	140(?)	1932	141
1920-24	157	1933	143
1925-29	151		

Estimates for the trend of industrial wages vary considerably, some authorities claiming that the standard of living of industrial workers is below the pre-War level, others, above. Undoubtedly there has been relatively less progress here than in the case of agricultural labor, and in the last few years, actually serious decline.

An interesting attempt to calculate changes in the standard and mode of living on the basis of calories consumed per capita resulted as follows <sup>8</sup>

*Index of calories consumed per capita in Italy*

1910-14 = 100

Food calories 1929-1933	110
Alcohol calories 1929-1933	78

Whatever the truth may be regarding changes in the Italian standard of living, this standard is and always has been low when compared with Italy's richer neighbors.

Fortunately for the fascist labor syndicates the basic wage agreements were made before the worst crisis, and in their subsequent bargaining they had a concrete scale, legally established, which they endeavored to defend. That reductions were inevitable was obvious, for the employers, totally unprepared to meet the crisis, demanded cuts of 30, 40, and 50 per cent at once, and would undoubtedly have reduced labor to starvation wages had the syndicates not fought them at every turn. The most

<sup>8</sup> See *Annuario Statistico Italiano* 1935, p. 164.

serious clashes were, of course, taken direct to the government for arbitration, and some of them resulted in general reductions by royal decree. For example, through government intervention, a collective agreement between the two national confederations for industry was made (November 20, 1930) reading as follows

“Beginning December 1, 1930, workers’ wages are reduced 8 per cent. This reduction does not apply to male workers over eighteen years of age who are earning less than twelve lire daily in cities of over two hundred thousand inhabitants and less than eight lire in other localities. The above reduction does not apply to workers who work not more than three days a week. The associations concerned may, however, take particular situations into account. For workers who have had their wages reduced within the last six months, the above reduction applies only in case of a difference.

“Beginning December 1, 1930, the wages of all office employees will be reduced as follows: 8 per cent for monthly wages of three hundred to one thousand lire, 10 per cent for monthly wages of over one thousand lire. In no case shall the monthly wage fall below three hundred lire on account of this reduction.”

The depression continued, of course, in spite of this measure, and a year later the employers confederation of industry came back with a demand for further reductions. The employees confederation refused to consider it, and the matter was taken to the Central Corporative Committee of the Ministry of Corporations, which decided on October 31, 1931, as follows

“As far as industry is concerned, the Central Corporative Committee, having discussed the report of the Minister, Bottai, on the contracts and activities of the trade associa-

tions and on the general wage situation, having established the fact that the movement for reduction of wages is being experienced throughout the world, holds that as far as Italy is concerned no further reduction of industrial wages is either possible or economically useful, but admits that there are special situations where a reduction of wages may be sanctioned provided the following principles are observed (a) that it is useless to maintain firms that are not on a sound basis and will soon be confronted with the same problem, (b) that a reduction be related to a guarantee of more continuous employment, (c) that it be related to a simultaneous reduction in the other costs of production, (d) that it be confined within reasonable limits, (e) that it be reached by a regular agreement between the legally recognized syndical associations ”

On the basis of this decision about four hundred minor and local reductions were allowed, but on the whole, wages maintained themselves fairly well through the next two years. In April 1934, when the previous contract expired, another reduction of 7 per cent was allowed to certain concerns who had not been able to make the entire 8 per cent reduction previously.

These collective contracts reducing wages in industry were closely followed by similar ones for agriculture, commerce, and transportation. By government decree employees of the state suffered similar reductions, 6-12 per cent.

Wage rate disputes are for the most part settled either by the confederations themselves or by the Ministry of Corporations acting as arbitrator. Only rarely is the general question of wage scales brought into the Labor Courts. A feature of some collective contracts is the provision that, if the index of cost of living should rise more than 8 points,



a "high cost of living indemnity" must automatically be added to the wages. By this time certain basic policies and principles have been laid down, and the great majority of contracts (usually made for a two-year period) are now automatically renewed with only minor changes. The "corporative principle," announced in the Labor Charter, that wages should be based on "the normal needs of life, the possibilities of production, and the labor return," has been ridiculed by economists and variously interpreted by the courts. Nevertheless it serves as a general guide in compelling employers to take into account the needs of the laborer as well as the "costs of production."

### 5 *The Labor Courts*

The settlement of labor controversies is carried on in several ways by different bodies. In individual controversies (that is, when an individual or firm brings suit) the procedure is different from that in collective controversies (that is, when a syndical association brings suit). In both cases an attempt must be made at conciliation before the issue is brought to court.

Individual controversies are first brought to their respective syndical confederations, where conciliation is attempted. For example, in 1934 the workers confederations dealt with the following numbers of individual conflicts:

<i>Confederation</i>	<i>Total no reported</i>	<i>Conciliated by the Synd Assoc</i>	<i>Forwarded to the courts</i>
Industry	100,299	64,936	9,482
Agriculture	92,757	57,345	10,575
Commerce	26,428	18,768	2,354
Credit and Insurance	?	2,018	?
Professions and Arts	?	3,113	?

In the agricultural cases, where the statistics are most complete, of the eighty two thousand one hundred and eighty-two controversies dealt with by the syndicates (that is, subtracting the ten thousand five hundred and seventy-five cases forwarded to the courts), 65 per cent were conciliated favorably to the workers, 3 per cent were decided unfavorably, and the remaining 32 per cent were abandoned, permitting the individual to take his case to the courts if he so desired. In the industrial cases conciliated the sixty-four thousand nine hundred and thirty six controversies involved claims on the part of laborers for about fifty seven million lire, of which forty three and one-half million were secured for the claimants.

Until the decree of May 21, 1934, such conciliation was regarded as a "power" granted to the syndicates, whereby they could compel the parties to abide by their decisions, but this decree clarified the law, making merely the *attempt* at syndical conciliation compulsory. When this conciliation fails, the case can be brought either by the syndicates or by the individual to the lowest courts, that is, to the justices of the peace (*pretura*) or the municipal courts (*tribunals*). In these courts informal conciliation must again be attempted by the judge. If he fails, the case is tried according to regular legal procedure, the court being assisted by two experts, in case either party requests this assistance.<sup>9</sup> These experts are chosen, one for the employer and one for the employee, from separate panels prepared every two years by the Provincial Council of Corporative Economy with the approval of the Labor Court (Court of Appeals). Cases involving more than two thousand

<sup>9</sup> Until 1934 *both* parties had to consent to the assistance of experts, which happened so rarely that this provision received little application.

lire can be appealed to the Labor Court. During 1934 the justices of the peace and municipal courts settled thirty-two thousand three hundred and eighty-one individual labor controversies as follows

Informal arbitration	6,050
Demands granted	11,062
Demands rejected	3,432
Demands withdrawn	11,167
Outside court's jurisdiction	670

Since a large majority of the suits are brought by employees against employers, rather than vice versa, the favorable action on so large a number may be regarded as generally favorable to labor. On the other hand, the large number of cases withdrawn probably signifies that the courts had established precedents ruling out demands which seemed reasonable to labor. Of the two thousand seven hundred and forty two judgments appealed during 1934, one thousand and thirteen judgments were sustained, nine hundred and forty four were modified, and twenty-three declared void.

We turn now from individual to collective labor controversies. These are taken first to the Ministry of Corporations for attempted conciliation. Here there is a permanent board of arbitration, *Collegi di Conciliazione*

The record of this body for 1933 is

	<i>Confederations of</i>			
	<i>Industry</i>	<i>Agricul- ture</i>	<i>Commerce</i>	<i>Credit and Insurance</i>
Disputes conciliated	48	3	—	—
Failures to conciliate	25	—	—	—
Cases dropped or postponed	25	—	1	—
Total	98	3	1	0

In 1934 a total of one hundred and thirty-two controversies, likewise largely industrial, were brought to the Ministry and eighty-five of them were conciliated. When this conciliation fails, collective disputes are taken directly to the special session of the Court of Appeals, known as the Labor Court (*Magistratura del Lavoro*). It is composed of three judges and two private citizens who are called in as experts in labor problems, having been selected from a panel appointed annually by the first president of each Court of Appeals. These experts are not mere assistants but take part in pronouncing the judgment of the court. Very few cases of collective disputes are brought before this court. Conflicting interests are either settled by the Ministry of Corporations or the conflict is allowed to continue. The cases brought before this court are usually disputes requiring less the conciliation of interests than the interpretation of the law. And even such cases arise for the most part out of individual suits.

The aim of this rather intricate procedure in dealing with labor disputes has been to protect the Labor Court from trivial controversies. The consensus of opinion both among syndicalists and jurists seems to be that it has been protected too much. Many disputes are "conciliated" unfairly by politicians and by the lower ranks of justices who do not enjoy the independence and prestige of the Court of Appeals. It takes on the average eighteen to twenty-four months to get a judgment from the Labor Court, and there is naturally considerable impatience with the formalities of judicial procedure. Some fascist politicians want a special "corporative court" under fascist auspices to speed up action, but this suggestion is vigorously opposed by the syndical leaders, who prefer the slow justice of the

regular courts to the probable arbitrariness of a political body

There is already an immense body of labor law and jurisprudence, to say nothing of the literature on the theory of corporative law. The basic issue seems still undecided, *viz*, whether corporative law shall be regarded as an independent juridical structure, or whether it is to be subsumed under the conventional heads of contract, master and servant, etc. With all this theoretical and formal analysis, however, no adequate study of the economic effects and policies of the courts has been made. There seems to be a general agreement that the Labor Courts are scrupulously, if not pedantically, impartial. There is less confidence in the lower courts. A tabulation of fifty-eight judgments of the Labor Courts in various provinces during 1934 taken at random and the same number of judgments of the lower tribunals indicates that the Labor Courts tended to favor labor thirty five to twenty-three, whereas the lower tribunals tended to favor the employers thirty-four to twenty-four. This number is, of course, too small to have statistical value and does not prove much in any case. It happened that many of these cases involved an issue which the labor syndicates were trying to drive to a favorable and definitive decision. Certain privileges are enjoyed by responsible office help (*impiegati*) which are not enjoyed by manual laborers. The labor syndicates tried to draw the line as low as possible in the grades of skill and responsibility. The praetors and tribunals tended to favor the employers by defining even some of the highest grades of labor as "manual." On this issue the Labor Court (of Appeals) tended to be more liberal, favoring the interpretation of the labor syndicates. But this is only one issue out of hundreds of similar, more or less tech-

nical, matters that the courts have attempted to regulate, and it is difficult as yet to make any significant generalization about the kind of justice exhibited by these courts. There seems to be a general willingness on both sides to extend the jurisdiction of the courts rather than to evade it, and the system of labor law which is being built up is certainly commanding increasing respect.

### 6 *The corporations and the National Council*

The institutions of the corporative state thus far discussed are concerned largely with the labor problem, and their eventual structure, after much experimenting, has been dictated largely by their ability to deal with this problem. It will be remembered, however, that from the very start the corporative state was conceived in more inclusive terms and that both the syndicalists and the nationalists hoped to arrive at some integrating institution including both employers and employees and giving practical embodiment to the fascist theory that the "class struggle" should be located not among the classes of a nation but between nations. At every turn this conception of national solidarity was defeated when it came to labor organization, and as a result the system which finally emerged represents a high degree of organization for both capital and labor, facing each other, and failing to agree being compelled to submit to political decision, either by the government or the courts. This makes the state a party to economic conflict, swinging the balance of power in its hands whichever way it deems expedient in view of prevailing pressure. The depression, however, brought home increasingly the inadequacy of such a solution, and the confederations were soon besieged with all kinds of economic problems for which they were not prepared. The

federations, organized usually to promote a particular interest, became effective pressure groups, whose interests the confederations were unable to reconcile and who were, therefore, referred to the Ministry of Corporations for action

Mussolini, on October 16, 1932, before the National Council of Corporations, raised the question whether the crisis was *in* the system or *of* the system, and by the session of November 14, 1933 he was ready to give his definite conclusion that "the crisis has penetrated so deeply into the system that it has become a crisis *of* the system" The aim of the more recent and more corporative reforms, therefore, is the invention of institutions that will be competent and effective in exercising this positive responsibility for the collective direction of production The corporate state, thus conceived, is an attempt to create a national administration of the processes of production while retaining private ownership and management of the means of production

That the syndical associations alone are incompetent for this task is proved not only by their dualistic framework (employers and employees being organized separately) but by the fact that each confederation includes too many branches of production to be a practical administrator of the details of any one of them To go to the other extreme and attempt to build a collective administration on the unitary syndicates, embracing each only a single occupation or category, proved to be too disjointed a structure for effective regulation The Corporative Law, especially Article 7, really represents a compromise between a pure "category" organization (recommended by the industrialists) and the "confederalional" system (recommended by the agriculturalists) It is based on "the production-cycle"

and follows roughly the lines of economic grouping suggested by many of the provincial and national federations

On February 5, 1934 Parliament passed this law creating the specific corporations and in May Mussolini, on behalf of the Central Corporative Committee, announced the institution of twenty two corporations in three groups At the head of each corporation was placed a council composed of representatives appointed by the syndical confederations, of experts, of representatives from related organizations, and of members of the Fascist Party The whole organization is represented by the accompanying table

Each corporation is thus directed by a small council, the largest having sixty-eight members Each council contains for the most part an equal number of representatives from the employers and the employees confederations The small number of remaining members, who hold the balance of power in case the employers and employees disagree, is composed of professional experts and politicians (three members of the Fascist Party in each council) The presidency of each council is assigned to the Minister of Corporations In practice, however, a presiding officer acts in behalf of the Minister and serves as a direct link between the government and the business experts or syndical representatives, giving Mussolini freedom to take personal direction only when some exceptionally critical situation arises

The associations united in a corporation are by that fact made "autonomous," though they continue to be members of their respective syndical confederations The theory of these intersecting "vertical" and "horizontal" organizations is not clear In practice, however, the whole scheme is quite intelligible The confederations remain, as they were, the chief agencies for dealing with the prob-



## COMPOSITION OF THE CORPORATIONS

*Representatives in Councils*

<i>Corporation</i>	<i>Employer Confederations</i>	<i>Employee Confederations</i>	<i>Technical Experts</i>	<i>Skilled Laborers</i>	<i>Cooperatives</i>	<i>Independent Public Institutions</i>	<i>Professional Men or Artists</i>	<i>Fascist Party</i>	<i>TOTAL or National Council of Corporations</i>
<i>Production-cycle of agricultural industries and trades</i>									
Grains	15	15	1	1	1			3	36
Fruits, vegetables, and flowers	13	13	2		1			3	32
Vineyards and wine	13	13	3					3	32
Olive oil and products	10	10	2					3	25
Sugar beets and sugar refining	5	5	2					3	15
Animal products and fisheries	18	18	3		1			3	43
Lumber	13	13	2	2				3	33
Textiles	24	24	4	2	1			3	58
<i>Production-cycle of industry and related commerce</i>									
Metallurgy and machinery	30	30	1	2	1			3	67
Chemical industries	31	31	2		1			3	68
Clothing	21	21	1	3				3	49
Paper and printing	11	11		1			4	3	30
Building and construction	11	11	4	1	1			3	31
Water, gas and electricity	10	7	4		1			3	25
Mining	10	10	2	1				3	26
Glass and ceramics	13	13	1	2	1			3	33
<i>Production-cycle of public services</i>									
Banking and insurance (3 sections)	18	15				16		3	52
Liberal professions and arts (4 sections)	2	2		2			31	3	40
Marine and aviation	10	10			1			3	24
Internal transportation and communications (4 sections)	21	21	2	2	1			3	50
Stage	11	11				3	6	3	34
Hotels	8	8	1					3	20
<b>TOTAL or National Council of Corporations</b>	<b>318</b>	<b>312</b>	<b>37</b>	<b>19</b>	<b>11</b>	<b>19</b>	<b>41</b>	<b>66</b>	<b>823</b>

lems of labor, unemployment, insurance, and, in general, for what is now called "syndical activities" The corporations take up the technical economic problems as they arise in particular branches of production The Ministry of Corporations serves as a clearing-house for both

The corporations are confessedly and professedly political instruments, presided over by statesmen and politicians The Fascist Party intends to keep its finger, if not its hand, on everything According to some theorists the Party must dominate the corporations because the state must dominate particular interests Others (without intending malice) regard the Fascist Party as representing the consumers The fact, however, that the corporations are under the presidency and jurisdiction of the Regime should not blind the reader to the other fact that the leaders of industry, agriculture, and commerce are the real leaders of the corporations, taking the initiative and contributing their technical knowledge as well as their private interests to the work of these bodies<sup>10</sup>

When the corporations were officially announced, and even long before then by the theorists of the corporate state, it was planned to make the Council of Corporations (the eight hundred and twenty three members of the various councils) the culminating organ and authoritative voice of the corporative structure In fact, it was to be genuinely a legislative as well as an advisory body Mussolini opened its first session most solemnly, addressing it as "this imposing assembly, perhaps the most imposing in the whole of Italian history" (November 10, 1933) Around it at once grew the hopes and theories of those fascists whose philosophic ardor for constitutional reform and whose moral nostalgia for political debate and pro-

<sup>10</sup> For the work of the corporations, see below, pp 121 ff

grammatic legislation inclined them to welcome a "corporative parliament" (The literature on this subject is already enormous and of sufficient erudition to tempt any student of political theory) Whether the more practically minded politicians sensed this danger of reviving parliamentary government under a new name, or whether they merely needed prompt action in an economic crisis, the fact is that the whole issue was quickly relegated to an indefinite future. On April 18, 1935 a decree, unaccompanied by the usual bombardment of theories to clear the way, gave the Central Corporative Committee of the Ministry of Corporations full jurisdiction over corporative matters, reserving the Council of Corporations for the eventual, formal ratification of the work of the Committee. This action means that the full assembly of the Council will probably not function as an active, deliberative body, at least not in the near future. The Ministry of Corporations and the individual councils of the twenty two corporations will do all the corporative business, and thus the "corporative state" remains typically fascist in structure. Nevertheless the Council of Corporations definitely exists and can be called into action if needed. Furthermore the threat that it will soon supplant the Chamber of Deputies still stands. Whatever the future of this and other fascist institutions may be, it is significant that fascism has created a complete set of legal institutions which can, if they will, function as a real state. For if fascism should some day find itself without a Head, it will at least have a body, and those who look upon the present regime as merely a personal rule grossly underestimate the political construction that has been accomplished in Italy since 1922.

## CHAPTER V

### FASCIST ECONOMIC POLICIES

In discussing the rôle of the fascist state in economic affairs one can only tell its history, for the radical changes of circumstances and the no less radical changes of policy that have occurred in the brief experience of the Fascist Regime make any attempt at generalization unenlightening and any attempt at prediction hazardous. A captious critic will probably regard fascist shiftiness as the sheerest opportunism, whereas the fascist theorist can see in it the steady evolution of a creative purpose. Though fascism has undoubtedly blundered, it has, on the whole, not only profited by such experience but has exhibited an increasing ability to play a constructive and dominating part in shaping an Italian political economy. Four types of fascist economic policy may be distinguished, dictated by four successive crises: (1) a policy of encouraging industrial expansion and capitalistic inflation, 1922-1926, (2) a policy of financial stabilization and industrial consolidation, 1927-1929, (3) defensive state intervention in the face of the general depression, 1930-1934, (4) corporative control leading toward economic autarchy, 1935—

#### 1 *The period of industrial inflation, 1922-1926*

Victory is naturally demoralizing. After the War everybody hoped to enjoy both release from the fighting harness and also the continued patronage of the government

Bankers, manufacturers, farmers, and laborers were all alike in this they were ready for the freedom of peace, but not for the end of war business. Consequently they built air-castles on war profits. Labor struck to maintain its war-time wage levels and ended in 1919 by a desperate attempt to make profits out of factories, whose owners were forced to shut down. The farmers banded together to maintain war-time scarcity of foods that could now be imported in abundance. The manufacturers continued to expand industries for which the war had created a temporary market. And bankers used their war profits to build up unheard-of industrial capitalization. The post-war government, hard put to it to satisfy all these forms of greed, resorted naturally to a continuation of war taxes, war benefits, and war inflation. The salaried classes, therefore, continued to suffer most, and in 1921-2 they were driven to panic when, in addition to the labor troubles that paralyzed production and transportation, they saw a large part of their already threatened savings vanish in the collapse of two of the largest industrial corporations and two of the leading banks. Under these circumstances the *fasci* of Black Shirts seemed to them a good investment.

It was not unreasonable for the fascists to suppose that all that was expected of them was to restore industrial peace and that if they fulfilled these expectations production would resume its normal course. And so it happened. The squadrists beat labor into submission and kept the farms and factories running. The fascist economist and first Minister of Finance, Alberto De Stefani, instituted the following "reforms." The Ministry of Labor was abolished. Telephones were turned over to private companies, telegraphs, railroads, and post offices would have been also, had they been paying concerns. Most of the

socialist land legislation was repealed. Government protection and subsidies for cooperatives were withdrawn. Instead of undertaking extensive public works, De Stefani turned the available funds over to private concerns, especially for the big agricultural developments in the South. The inheritance tax was abolished. And of the thirteen direct taxes (including taxes on the investment and transfer of capital) only three were retained, those on land, buildings, and income. The income tax was extended to the salaried class and to small farmers, for whom it was made very heavy. Indirect taxes were instituted wherever possible. The railroad and postal personnel was reduced in number and wages, while the rates were raised. In order to reduce the cost of living, the protective tariff was taken off flour and was lowered on sugar and other agricultural products. But "the national interests" made it impossible for De Stefani to proceed to a reduction of industrial tariffs, much as he should have liked to on theoretical grounds. In short, his conscious aim and policy was (a) to reduce the state's budget by reducing its functions, (b) to encourage rigid economy in all branches of the government, and (c) to stimulate industrial production and investment of capital. Italy was to be a "productivistic," capitalistic paradise.

Results were soon in evidence. Capital took courage and made fresh loans to industry. Industry took courage and built up a large export trade. The government took courage and permitted the banks of emission to supply money. Another boom was on, when De Stefani suddenly called a halt by attempting to control stock speculation and restrict the activities of the banks. He was thrown out of office. Count Volpi, of the Banca Commerciale Italiana, came in, went to the United States, made

a favorable settlement of the War debts, and came home with a hundred-million-dollar loan from Morgan and Company. Meanwhile Italian credit was sinking and the lira was endangered. On August 18, 1926 Mussolini, in a dramatic speech, called a halt to all this and began a policy of deflation. This ended the first period of fascist economics.

During this period, however, with all its inflation and speculation, Italian industry made enormous gains. Mining and metallurgy were allowed to drift along as best they could, for industries were supplied with German coal and British iron, but the electrical, mechanical, textile, and chemical industries exceeded even their war-time output. A general summary of the industrial progress of the first four years of fascism is given in the following table.

*Indices of Industrial Production 1913 = 100*<sup>1</sup>

1922	1924	1926
81	103	127

In general, industrial production in 1922 was below the 1913 level. After that it rose rapidly. The production of electrical power rose from two billion kw hrs in 1913 to eight and one-half billion kw hrs in 1926. In 1913 Italy produced about six thousand automobiles, in 1926, about sixty-five thousand, of which over half were exported. In ship-building the tonnage of 1926 was eight times that of 1913. The textile industry made comparatively little progress, except in the case of artificial silk, which became an important article of export. In 1926 Italy enjoyed the highest rayon production of any European country.

Though some of this gain was sound and stood the test

<sup>1</sup> For these and other industrial statistics see Volrico Travaglini, "Die Industriepolitik," in Gerhard Dobbert, *Die faschistische Wirtschaft* (Berlin, 1934), pp. 66-109.

of the subsequent depression, much of it was due to a temporary dislocation of the world markets (as, for example, the automobile exportation) and to a speculative fever among investors. The excessive capitalization and watering of stock was worst in the artificial silk, beet sugar, chemical, and ship building industries. In the electrical industry the Edison Company became a huge holding company including sixty subsidiaries and furnishing in 1927 about one-fourth the total electrical power of Italy. A similar position was held by the Montecatini interests in the chemical industry and by the Snia Viscosa in the artificial silk industry.

Throughout this development the state played a negative part, differing little from the liberal "police" state. In fact, the government was too busy with internal political crises to take much of a hand in economic matters. De Stefani's budgetary economies, which made the subsequent stabilization possible, were the only significant political contribution to the economics of this period, and even these were really negative by nature and were to some extent counteracted by the extravagance of the more ordinary run of politician in other branches of the Regime. To be sure some of the fascist leaders like Rossoni and Farinacci carried on labor struggles, but these were not acts of the government or state.

## 2 *Stabilization and consolidation, 1927-1929*

A more active part and a more constructive rôle was played by the government during the second period. In the first place, energetic measures were taken to protect the currency and to prevent future speculative crises. The Morgan loan was used to reduce paper circulation, a forced internal loan (*Prestito del Littorio*) was raised to fund the



floating debt of short-term notes. Incidental to this loan all merchants were required to pay "licenses" or deposits ranging from five hundred to five thousand lire, and the interest on these sums is now used toward payment of the syndical taxes. In November 1927 a legal reserve in the Bank of Italy of 57 per cent was established, which was maintained until 1935, when it was reduced to 40 per cent and finally abolished in order to make possible the settlement of foreign indebtedness. The banks of emission which had been restricted to three were reduced to one. The savings banks, postal savings, people's banks, and rural banks were encouraged and proved a stabilizing influence. The large banks, being denied additional resources by the banks of emission, were compelled to restrict industrial credits, and thus the weakest concerns were soon forced under and a general movement of industrial retrenchment began.

The net result of these tactics was to put Italian industry on the defensive and to encourage consolidation, reorganization, and "rationalization" of technique and lowering of production costs (notably wages). The tendency toward the formation of industrial trusts and semi-monopolistic consortiums, which had begun earlier, now reached its culmination. It was encouraged by the decree of June 23, 1927, which reduced the taxes on such operations. During the ten years from 1917 to 1927 only about fifteen mergers had taken place annually, in 1928 there were one hundred and five, and in 1929, one hundred and eight, so that by the end of 1929, 85 per cent of the total industrial capital was owned by 25 per cent of the companies. During these years, too, a number of consortiums were formed, several of them with the active cooperation of the Ministry of Corporations and the Confederations

of Industry The problems of technical progress were dealt with effectively not only by these huge concerns but also by special organizations such as the *Ente nazionale per l'Unificazione dell'Industria* There followed increasing standardization, mass production, and trade agreements By these measures Italian industrialists managed to overcome the effects of the deflationary financial policy and to consolidate the most important branches of production, so that 1929 marked a high point in industry, with few exceptions There seemed to be a steady though slight increase over 1926, and to all appearances general stability and a fair degree of prosperity had been achieved Now and then the government had to come to the rescue, as in the case of the Fiat Automobile Company, which was beginning to feel the pinch of foreign competition And there were disquieting factors the decline of exports, increasing the unfavorable trade balance to its high point (about seven billion lire), and the beginning of deficits in the retail trade On the whole, however, the government could afford to make industry fight its own way on the rather severe terms set by the deflationary financial policy, with a minimum of paternalism

In these developments the Confederation of Industry had undoubtedly played a leading rôle, but the precise extent and nature of its activities are difficult to determine In general it operated informally and without government intervention, and even when the Ministry of Corporations intervened directly (as it did, for instance, in the case of the negotiations leading to the formation of a cartel for the metal industry), it did so informally by bringing political pressure to bear or helping with subsidies, rather than by formal agreements involving the whole syndical machinery The government, in short, by

its bureaucratic intervention took a more decisive part in economic affairs than it had during 1922-26, but the initiative and general direction were still in private hands. On the whole, with two exceptions of which we shall now speak (the collective labor contracts and the agricultural program), the Fascist Regime was still using the conventional measures which other governments use and have used to intervene in business rather than to govern it.

The collective contracts, which were beginning to take effect on the basis of the law of April 3, 1926, and the Labor Charter gave a more formal and permanent appearance to the emerging economic structure. The early contracts did little more than crystallize prevailing labor conditions for the two year period, for which most contracts are made. Neither employers nor employees felt secure enough to make disquieting demands, and consequently, from the point of view of labor relations as well, a general stability seemed to prevail and to give confidence of a permanent order. In fact the labor leaders were fortunate to be able to resist in part the continuous cry of the industrialists for reduction of production costs and could not have done so had not the government been especially eager at that time for labor support. Up to 1929, however, the collective labor contracts were relatively few and poorly enforced. Strikes and lockouts were practically ended, but the wage agreements were freely disregarded by employers when they began to feel an unexpected slump.

The most constructive policy of this period was undoubtedly the agricultural program, conceived in two chief phases, the "battle of wheat" and systematic land reclamation (*bomfica integrale*). Neither of these involved a radical departure from conventional political methods, they merely marked the culmination of decades of activity

begun by other regimes. But the thoroughness, energy, and huge scale of the fascist program were certainly distinctive and remarkable achievements. After a bad harvest had forced the Italians in 1924 to import half again as much wheat as they had raised and thus to add an enormous deficit to an already unfavorable balance of trade, Mussolini, in his dramatic and militant manner, ordered a *battaglia del grano*, and, what is more, he conceived it in terms of a permanent and scientific progress in the yield per acre, not a mere temporary robbing of land from other crops. He appointed a Permanent Grain Committee, raised the tariff on wheat, exempted from taxation gasoline used for agricultural machinery, ordered the scientific use of wheat seed and fertilizers, made liberal provisions for rural credits, developed the traveling government demonstrations and instructions in improved agricultural methods, and instituted numerous prizes, campaigns, and other types of propaganda. The first few years of the battle showed little visible progress, but by 1929 it was evident that a significant advance was being made. The following figures give the general results.

## WHEAT CROPS 1921-1935

<i>Five-year period</i>	<i>Average annual yield per hectare—in quintals</i>	<i>Total average annual yield in million quintals</i>
1921-25	11.5	53.9
1926-30	12.4	60.7
1931-35	14.7	72.7

The increase in area was negligible during this period (c. 5 per cent). The average annual importation of wheat dropped from two and seven tenths million tons in 1928 to one half million tons in 1934. The total need of the

nation is estimated at about eighty million quintals, a figure which has almost been reached.

Though there is nothing revolutionary in this "victory," it marks a significant and stable gain toward the solution of one of Italy's most serious problems. The figures are even more noteworthy when it is remembered that at the turn of the century it took several decades of effort to raise the production to the pre-War high level of about 10 quintals per hectare and that several authorities in agricultural economics had advised against further efforts as useless and uneconomical. The attempt to raise the nation's food in Italy at almost any cost<sup>2</sup> is a definite fruit of the nationalistic economics into which Italy has been both led and forced.

The *bonifica integrale*, the land reclamation program, is more spectacular and involves an even greater degree of governmental initiative and investment. This began in earnest with the so-called "Mussolini Law" of December 24, 1928 and with the creation a year later of the Under-Secretary for Land Reclamation. Earlier programs had been restricted not only by a narrower conception of the problem (chiefly drainage and irrigation) but by inducing speculative capital or by compelling landowners to carry a large share of the investment. And during the socialistic years immediately preceding fascism enthusiasm for land reclamation had given place to enthusiasm for land partitioning, "giving the land to the peasants." To both these tendencies fascism put an end by investing public capital on a long-term basis in huge projects and placing the reclaimed land not in the hands of the peasants but in the hands of trained agriculturalists, whose scientific man-

<sup>2</sup> In 1934 the internal price of wheat was about double the world price.

agement would yield reasonable returns on the investment. The financial administration is in the hands of *Consorzi di bonifica*, national consortiums, which extend credits to the various agencies cooperating and recover them by a gradually increasing scale of taxes on the returns from the land. Up to 1935 about six billion lire had been appropriated for this program and work was in progress affecting an area of four and one half million hectares, which is about one-sixth of the total agricultural area of Italy. One of the first achievements was the drainage of the Pontine Marshes south of Rome, which literally created whole villages, to say nothing of productive acreage. But in addition to other drainage projects and the conventional irrigation plants, the "integral" program includes walling in torrents to prevent erosion and flooding, reforestation of mountains, building rural roads, filling in lowlands, building bridges and canals, installing pumps, and introducing various types of machinery and fertilizers. In many regions the program involves a transformation rather than a mere improvement in the traditional agriculture. This program is being carried out not only in the South, to which particular attention had been paid in the past, because the conditions there are most desperate, but even in the Po valley where the immediate returns are most promising.

Politically one of the most significant aspects of the agricultural program is that though it was conceived in years of confidence (1926-9), the subsequent depression did not cripple it but gave it additional value as a ready plan for public works to relieve unemployment. Circumstances, therefore, perhaps more than policy, have lent considerable truth to the generalization which one meets frequently, namely, that whereas past governments (and

early fascism) had exploited agriculture to promote industrial capitalism, fascism is now using industry to promote agricultural state capitalism. The policy is not enriching big landowners, who are heavily in debt and whom the deflation has embarrassed even more, but is encouraging in some regions an industrialized agriculture operating largely on public capital and in others small independent farmers managing their own (or rented) farms with only a few laborers. In this connection the following statistics are interesting, showing the shifts in rural classes between 1911 and 1931.<sup>3</sup>

<i>Rural Classes</i>	<i>Percentage of Rural Population</i>		
	1911	1921	1931
Farmers cultivating their own soil	19.1	31.2	36.1
Tenant farmers	9.2	7.4	11.5
Group shareholders ( <i>coloni</i> )	18.7	15.8	20.4
Hired laborers (permanent)	9.3	4.7	6.9
Day laborers (unattached)	43.7	40.9	26.1

These figures reveal the steady growth of the more independent classes and the great decline since 1921 of day laborers, whose lot has always been the most miserable. The change is most noticeable in the South, where between 1921 and 1931 the percentage of tenants increased from 5 per cent to 14 per cent and the day laborers decreased from 50 per cent to 33 per cent. For Sicily, Rossoni in 1936 effected a notable landholding reform by means of a collective contract which gave poor tenants more permanent forms of tenure and encouraged more intensive cultivation of the former large estates. In Emilia and adjoining regions the socialistic practice of parceling out unemployed labor among farmers has been revived within limits. In Modena a radical experiment is proving suc-

<sup>3</sup> From A. Serpieri and N. M. Alemanni, *Lo stato fascista e i rurali* (Milan, 1935), p. 87.

cessful, whereby a fraction of the farms is set aside (*stralcio*) for the farm hands enabling them to become shareholders (*partecipanti*) In 1934 alone twelve thousand hectares (about thirty thousand acres) were taken from four thousand farms and given to six thousand and eight hundred farm laborers

Whether fascism should turn its attention and favors radically from industry to agriculture is a debated question. Many leaders of the corporative movement still favor the industrialization of Italy as the only hope for a balanced, state-controlled economy. Economic circumstances and international conflict, on the other hand, are putting increasing difficulties in the way of Italian industry. Though perhaps not prophetic, the words of Mussolini (March 19, 1934) may at least be indicative: "The Italian people is necessarily a people of farmers and sailors"

### 3 *Defensive intervention, 1930-1934*

The crisis of the world depression produced a situation demanding a more continuous and systematic intervention than had hitherto been deemed necessary. It is needless to describe this crisis in general. The figures in the accompanying table will suffice to indicate how it affected Italy in particular.<sup>4</sup>

These figures indicate roughly a drop between 1929 and 1932 of 60 per cent in foreign trade, of 40 per cent in internal trade, of 50 per cent in industrial production, and of 50 per cent in investments,<sup>5</sup> an increase of about 250

<sup>4</sup> These statistics are taken for the most part from the *Annuario Statistico Italiano 1935*. For the budget balances (based on *La Riforma Sociale*) see *The economic and financial position of Italy*, Information Department Papers, No. 15, issued by the Royal Institute of International Affairs, London, Sept. 1935, p. 50.

<sup>5</sup> The amount of capital invested dropped from over seven billion lire in 1929 to about three and three-tenths billion in 1933.



## THE ECONOMIC DEPRESSION, 1928-1934

	1928	1929	1930	1931	1932	1933	1934
Industrial Production Indices 1928 = 100	100	109	100	85	73	80	88
Agricultural Production Indices 1922 = 100	119	138	126	123	162	148	140?
Imports in billion lire	219	213	173	116	82	74	76
Raw Materials	75	80	56	37	29	31	34
Exports in billion lire	145	148	121	102	68	59	52
Balance of Trade in billion lire	-74	-65	-52	-14	-14	-15	-24
Budget Balance (revised) in million lire	+475	+10	-659	-3,958	-3,622	-6,458	-2,437
Industrial Stock Price Indices 1922 = 100	—	—	97.4	69.4	64.3	77.3	82.7
Car Loadings in million tons	56	60	53	44	37	34	33
Unemployment in thousands	—	319	413	735	1,085	1,111	880

per cent in unemployment. The cost of living decreased about 20 to 30 per cent and wages anywhere from 30 to 50 per cent.<sup>6</sup>

The first and most immediately effective device on which the government seized in this situation was the creation of Institutes, or semi political bodies (*Istituti, Enti nazionali*),<sup>7</sup> to deal with particular emergencies as they might arise. In fact, the dates of the founding of the following Institutes will serve as a summary chronicle of the economic crises of the nation.

- 1926 Ente Nazionale Serico (to rescue the national silk industry from the inroads of rayon),
- 1926 Istituto Nazionale per l'Esportazione (to promote exports), changed March 1935 to Istituto Nazionale Fascista per gli Scambi con l'Estero and given administration of foreign trade by compensation agreements,
- 1926 Ente Nazionale Italiano per l'Organizzazione Scientifica del Lavoro (to encourage technical industrial developments),
- 1927 Ente Nazionale per l'Unificazione dell'Industria (to promote standardization and agreements in industry),
- 1927 Ente Nazionale Italiano per il Turismo (to regulate and promote the tourist business),
- 1927 Ente Nazionale per l'Artigianato e le Piccole Industrie (to save small producers and artisans from the encroachments of big business),

<sup>6</sup> See above, pp 85 f

<sup>7</sup> Several Institutes had grown up during the War, they are not a fascist invention

- 1928 Istituto per il Credito Navale (to subsidize ship-building and reorganize marine holding companies),
- 1931 Ente Nazionale Risi (to raise the domestic price and consumption of rice),
- 1931 Istituto Mobiliare Italiano (to liquidate industrial credits and frozen assets, particularly those of the Banca Commerciale Italiana),
- 1932 An Institute to protect the marble industry, especially from the competition of artificial marble (It lasted only about a year),
- 1933 Istituto di Ricostruzione Industriale (for the reorganization and financing of industry),
- 1933 Istituto Cottoniero Italiano (to help the textile industry),
- 1933 Ufficio per la Vendita dello Zolfo (a compulsory national agency for the marketing of sulphur)

These Institutes not only serve in emergencies to make public loans and subsidies to important branches of national production but also operate as directive organizations, whose centralized controls soon become odious when the immediate emergency has passed. And it might be said in this connection that the new system of corporations is really a standardization and generalization of the Institutes. The more Institutes had to be created to promote particular interests, the more their activities and pressures on the government conflicted with each other, until the government was finally driven to create an "institute" (or corporation) for every branch of production together with a scheme for coordinating them in view of the larger national needs. On the whole, the above named Institutes were able to achieve quick results and were therefore effective as emergency measures, but in almost every case

they were soon compelled to face the more fundamental causes of the depression and to raise problems which no single Institute could meet

A second method of dealing with the crisis was the issuing of decrees involving direct compulsions. Such intervention, too, was nothing new by this time, but it came now with increasing force and boldness. In 1931 the iron and steel industry was compelled to form a national consortium, and the creation of other such consortiums was threatened. In 1934 came the compulsory conversion of the consolidated state debt with reduction of interest from 5 per cent to  $3\frac{1}{2}$  per cent,<sup>8</sup> two months later came a reduction of wages of public employees 6 to 20 per cent and a reduction of all rents 12 to 15 per cent, and then the prohibition of exporting money and importing raw materials (without special permission). In the summer of 1935 a decree made coal and the imported industrial metals practically state monopolies administered by the state railroads. In 1935, anticipating war speculation, a series of decrees compelled all holders of foreign securities to convert them into government bonds, taxed the holders of other bonds 10 per cent, limited all stock dividends to 6 per cent, and prohibited all export of Italian currency and securities. On March 1, 1936 the government took the final step in financial control by unifying the Italian banks, thus placing the whole credit structure of the nation under the direction of the Bank of Italy. These are only a few of the measures by which the government tried to exert direct control over particular economic problems.

<sup>8</sup> The following year this was reconverted into a 5 per cent loan, when it became necessary to borrow money at home instead of abroad.

A third and more conventional policy was the expansion of public works. Mention has already been made of the continuation of the agricultural program as a system of public works to relieve unemployment. Besides the land reclamation projects, the chief types of public works were the development of hydro-electric power (tripled since 1922), the electrification of the railways (quadrupled since 1922 and now the largest system of electric railroads in Europe), the building of highways, public buildings, and workers' homes, and pre military (and, for that matter, military) preparations in Africa. The public building program has been intensified since 1932 to help the building trades out of their depression, and, in order not to endanger the labor contracts, two scales of wages have been established, the normal one for work on private buildings and a lower one for public buildings.<sup>9</sup>

The total outlay for the public works program (including agriculture) has been about twenty-five billion lire. The telling effect of this expenditure, especially since 1933, on the annual budget and on unemployment can be seen in the statistics on page 114. (In 1935 unemployment was further reduced to about six hundred thousand.) The growth of the public debt was, of course, a necessary consequence of the depression. Its justification in theory is well summed up by De Stefanı as follows: "The internal state debt is a balance of assets and liabilities between the state and its citizens, or better, between citizen and citizen. Disregarding those reciprocal relations which cancel each other in the form of rights and obligations, there remains on the one side the labor that has been spent and on the other the nation as a whole in its human and ma-

<sup>9</sup> The building trade was also stimulated by granting tax exemptions for twenty-five years to buildings erected before 1936.

terial aspects as it has been produced and continues to be produced" <sup>10</sup>

The financial resources for this program are derived from various sources—the usual taxes and tariffs, loans and credits. But two special sources are noteworthy. The annual syndical dues represent a tangible income. A sum of approximately thirty million lire comes to the Ministry of Corporations and helps considerably in financing "extraordinary expenses." The chief source of funds, however, for investment in public works is the capital of the national insurance companies, savings banks, and benevolent institutions. A large percentage of the resources of these state institutions (totaling about twenty billion lire) is being used to finance public works.

Throughout this period the syndical federations were increasingly active. After the basic labor agreements had been made, the problems of production were taken up in detail and recommendations began pouring in on the Ministry of Corporations. On the whole, these recommendations showed little originality and were directed toward securing governmental favors for particular industries or groups who faced the severest crises. They asked for protective tariffs, for reduction of taxes and freight rates, for "premiums" or subsidies, for exemptions and other privileges, and for advertising schemes and campaigns to increase the home market. The government was put on the defensive and yielded as much as it dared to one appeal after another. The whole policy, or lack of policy, in other words, was really dominated by the effort to save business concerns from bankruptcy and to enable production to continue in spite of dwindling markets. The "natural" tendency was for industry to curtail production but

<sup>10</sup> *Corriere della Sera*, January 21, 1934.

not prices and for agriculture to curtail prices but not production. The government's problem, in general, was therefore to reduce prices in industry and maintain prices in agriculture. The direct control over prices and the cost of living, however, proved hopeless except in a few cases (rents and some agricultural products), and the net result of the whole "discipline" was the attempt to bolster up production at public expense, creating largely artificial markets in the hope that in the long run intensified production would redound to the nation's wealth. The more, however, the national interests came to be conceived in terms of a national economy, the more it became evident that some interests would need to be sacrificed to others and that the government could not continue to be paternal toward every federation that made an appeal. The real problem of the government, in other words, became to find a reasoned plan for dealing with conflicts *among* the various federated interests, or, to use the now common terminology, the problem had passed from its syndicalistic to its corporative phase. De Stefani put the issue more pointedly when he said "The problem of problems is the reconciliation of corporatism conducted as a unifying and regulative device for the affairs of particular business concerns and corporatism conducted as a public interest in the fullest sense, which transcends and coordinates the problems of particular businesses" <sup>11</sup>

#### 4 *Corporative control and autarchy, 1935—*

Putting the problem in these terms takes us to a fourth stage of fascist political economy, to genuine corporatism. As a matter of definite policy this stage began with the creation of the corporations and with Mussolini's address

<sup>11</sup> *Corriere della Sera*, August 23, 1935

to the Council of Corporations, November 18, 1933, as a matter of practical operation it is barely beginning to take effect (January 1936) In practice most of the work of the corporations begins in the syndicates and ends in decrees, the corporations themselves performing an intermediate function in government Usually some interest in need appeals to its federation The federation draws up a formal statement of the situation and makes recommendations to the confederation, which forwards it to the Ministry of Corporations The Minister convenes the council of the corporation to consider the proposals of the syndical bodies The corporation then makes its recommendations to the Central Corporative Committee, whose vote is practically final

The first corporation to be set up was the Corporation of the Stage, which, in view of the exceptionally critical circumstances in that business, began operation as early as December 1930 It set to work boldly, creating a National Consortium for the Opera, whose members could profit by sharing expenses for costly presentations and whose resources made it possible to give operas in many of the lesser towns otherwise without them After a little over a year, however, the Consortium was dissolved, and its activities were distributed among several syndical associations The subsequent work of the Corporation was confined largely to such relatively superficial tasks as securing railroad and steamship ticket reductions, reduced taxes on theater tickets, government premiums for successful Italian pictures and special national celebrations for the benefit of the cinema In practice this work was carried on largely by the federation In 1935, when some of the other corporations began activities, the Corporation for the Stage resumed a more ambitious program, and early in 1936



took a number of steps to promote theaters and concerts. Among other things it procured an annual subsidy of 10 million lire for five years to picture producers, who began at once to erect an up-to-date studio lot in Rome. Within the last year or two Italian motion pictures have made considerable progress.

The Corporation of Grains continued the work of the Ente Nazionale Risi, which had been formed in 1931 to raise the price and consumption of rice. The price was raised 25 per cent by means of a government premium. The yield per acre was increased, exportation encouraged, and a national propaganda for the use of rice was continued after the "campaign" of 1934. In addition corporative inspectors were appointed to enforce the collective contracts, and, instead of raising the pitifully low wages, special assistance was given to laborers in the rice fields who happened to be in distress. Methods were devised for improving the threshing of rice, for licensing producers, and controlling the amount and types raised. Next the Corporation took up the problem of marketing and milling wheat, attempting to reconcile the interests of the millers and the grain merchants, improving the threshing machinery, providing for collective grain elevators, fixing the prices of bread, and lowering the import quotas.

The Corporation of Fruits, Vegetables, and Flowers discussed various measures for promoting the canning and merchandising of fruits and vegetables, especially for exportation.

The Corporation of the Beet Sugar and Refining Industry took up the recommendations made to it by the federation of beet growers and with slight modifications approved its proposals to use beets for fuel alcohol and within four years to make it compulsory to mix motor fuel

gasoline (80 per cent) with alcohol (20 per cent), to reduce the tax on sugar manufacture (which is about two-thirds of the cost) and transfer it to the sugar consumer, to reduce the price of sugar to large marmalade and candy factories, to prohibit increased acreage of beets for sugar, to advertise the food value of sugar, and in other ways to build up the domestic market in view of the collapse of the foreign markets

The Corporation of Animal Products and Fisheries took practical measures to protect Italian cheeses in foreign markets by trade marks, etc., not to curtail the production of milk but to redistribute its uses (using more milk, less cheese) and to encourage the drinking of milk in the army, schools, play grounds, etc., to raise the price of milk by direct price fixing (by zones), to continue the corporative system of centralized milk supply for Rome (with certain technical improvements), to raise the price of live cattle and meat (by tariff, etc.) until the annual deficit of that industry is overcome, to systematize the wholesale fish markets, regulate the use of motor boats in fishing, aid the canning industry, and improve social insurance for fishermen

The Corporation of Vineyards and Wine undertook the more rigorous grading and labeling of wines, better cultivation of the distinctive types of grapes, and better marketing of distinctively Italian wines, and recommended a compulsory producers' consortium, public wine shops, improved insurance, etc

The Corporation of Vegetable Oils took up the problem of protecting Italian olive oils in foreign markets and classifying the oils. It began a campaign to increase olive production by one-third to meet domestic needs, and hence, to quote its President, Mussolini, "all other interests of the

Corporation must be subordinated to those of the olive growers”

The Corporation of Paper and the Press negotiated an important agreement between publishers and booksellers, and one between publishers and authors, it recommended the formation of a national company for the production of paper pulp and printing paper (to reduce the large importations of these materials), it recommended the creation of a standing corporative committee for the graphic industries (which was done by the decree of May 10, 1935) It also undertook research for new domestic sources of cellulose and paper pulp

The Textile Corporation took up the work of the Ente Nazionale Serico, organized a standing committee for the silk industry, planned a silk campaign for 1935-6, and secured a ten million-lire subsidy for the encouragement of silk production It made similar though less urgent plans for cotton, linen, hemp, and wool

The Clothing Industries Corporation developed a plan for safeguarding apprenticeship, for regulating domestic industry, and for creating an internal market for straw hats, gloves, etc to meet the losses in the export trade

The Corporation of Marine and Aviation took action on adhering to several international conventions, on the enforcement of employment regulations, and on coordinating steamship, air, and railroad schedules

The Corporation of Metallurgy and Machinery settled a long-standing dispute about systems of calculating rates for piecework in these industries It discussed the possibilities of using aluminum (of which Italy has an abundance) as a substitute for imported metals and in general took steps to solve the problems in its field created by the war and by the League sanctions

The Corporation of Mines drew up regulations for increasing the consumption of domestic fuels, for extracting oil from asphalt rocks, for preventing the export of aluminum ores and lead, it encouraged the mining of zinc by obtaining a subsidy from the Ministry of Corporations amounting to one million six hundred thousand lire in 1934-35 and six hundred thousand lire in 1935 6

The Corporation of the Professions and Arts made regulations governing the fees to be charged by physicians and by accountants, instituted a national fund for the relief of authors, revised the laws on the protection of works of art, etc

It is needless to mention the deliberations of the other corporations, which are similar to the above. By February 1936 practically all the corporations had made a substantial beginning in dealing with basic problems. It is no longer possible to say that the corporations exist merely on paper. They are working at last, though the results of their work are still scarcely visible and the quality of this work is still difficult to judge. The above summary suggests that from the very first their labors were more than a continuation of the work of the syndicates, they tackled technical problems of industry and business, problems of management and policy. They obviously reflect the efforts to get government aid for special interests, but they also show a genuine concern, from time to time, for the national interest. There are already signs (and an over abundant literature) of attempts to construct a more integrated system of control in view of the urgent need for maximum national productivity and economic independence.

In addition to the work of the corporations, there are several other forms of government regulation which are

commonly designated as "corporative" and which imply at least the possibility of drastic measures. Some of the numerous provisions for the regulation of foreign trade we shall discuss in the next chapter. Since 1934 (decree of January 12, 1933) no new factories or enlargements of factories are permitted without the sanction of a special committee for this purpose in the Ministry of Corporations. Though about 70 per cent of the requests have been granted, the government can enforce its own policy of industrial development to a greater extent than previously. It can check unfair competition,<sup>12</sup> overproduction and importation. In 1935, at least, there was a definite policy to encourage small and medium sized enterprises, thus counteracting the previous tendency toward cartels and holding companies. The decree of June 16, 1932 had caused a storm of protest, when the government announced the formation of compulsory consortiums, which some corporativists regarded as the beginning of corporative ownership. The issue was finally settled by turning over the compulsory regulation to the newly-formed corporations and by exercising strict control over the sixty six "voluntary consortiums" in existence. This control is intended to prevent raising prices and squeezing out small producers.

The approach to economic problems is still "productivistic," the assumption being that unremitting labor and increased production are the essentials of prosperity. The problems of distribution are secondary. With few exceptions, the policy is to find or create markets for the nation's products, not to curtail production to existing markets.

<sup>12</sup> In this connection the ice interests asked for protection against the growing use of electrical refrigeration, which had been encouraged by the government, but I have not heard what action the government has taken.

This implies a primary emphasis on stimulating consumption or exportation. Financial necessities, however, followed by the League sanctions have compelled an increasing government regulation of imports and manufactures, which, if it succeeds, may be the beginning of a planned national economy. At present there is little enthusiasm among the practical politicians for a planned or "programmatic" economy. But there is a growing recognition that merely protectionist tactics must yield to "regulated distribution," to use De Stefani's terms. He made a bold stand for a strictly national economy with little regard for foreign trade even before the League sanctions made such a gospel popular.<sup>13</sup> The aim of corporatism is to exercise this national control neither by "proprietary corporations," involving state management, nor by the traditional types of state intervention in business, but by "the auto regulation of business," itself incorporated into the state. Under these circumstances property is "private" only in name, for its uses are determined at every turn by corporate controls. In this way it is hoped to realize the theory that "the right to property is a public function, subject to public interest."<sup>14</sup>

<sup>13</sup> See his defense of his conversion to autarchy, in his *L'ordine economico nazionale* (Bologna, 1935), chapter I.

<sup>14</sup> *Ibid.*, p. 292.

Italian foreign policy We must be content with two contemporary illustrations one, the attempt to control foreign trade in the interest of national economy, the other, the attempt to gain an empire in Africa The reader must bear in mind that these are but passing phases of a more general policy and may therefore go as quickly as they came, if circumstances continue to change as rapidly as they have in recent years

## 2 *Foreign trade*

By tradition Italian foreign commerce has been relatively free trade Though never able to export quite so much as she imported, Italy managed to offset her unfavorable balance of trade by the tourist business, by returns from emigrants, and by occasional investments of foreign capital The Fascist Regime, too, hoped that with maintaining the customary most-favored nation treaties and building up foreign markets for her industrial products it could carry on profitably along the conventional liberal lines The collapse of Italy's foreign markets after 1929,<sup>1</sup> the decline in the tourist business, and the practical cessation of emigrant payments, coupled with her growing need for industrial raw materials, created a revolutionary situation The spread of nationalistic economies among her customers, especially Great Britain, Germany, Russia, and the United States, the currency manipulations, and the inroads of Japanese products on Italian markets compelled Italy to change her tactics At first the most obvious and conventional remedies were tried An Institute to encourage exportation was created as early as 1926 and given increasing powers as the crisis developed But with all its efforts toward facilitating the advertising, sale, and trans-

<sup>1</sup> See pp 113 f

portation of Italian products, toward encouraging the production of standardized goods, and toward finding new markets, the rapid decline in exports continued, and the Export Institute was driven to the hopeless policy of asking for more and more subsidies for the exporters. Hastily, by the decree of September 24, 1931, a 15 per cent *ad valorem* duty was fixed on all imported merchandise. In the meantime the government had negotiated with great difficulty hundreds of special commercial treaties for short terms, and these had practically robbed the general tariffs of their protective value,<sup>2</sup> without bringing substantial relief. Finally, terrified by the 1934 unfavorable balance of almost two and one-half billion lire, the government abandoned its attempts to "encourage" the private initiative of exporters by these conventional means and instituted a drastic restriction on imports.

The scheme adopted in the decree of February 16, 1935 was similar to that of other nationalistic economies. (1) Fixed quotas (*contingenti*) of imports were permitted, ranging from 10 to 35 per cent of the usual amounts imported. (2) Variable supplementary quotas could be imported by special permission from the Export Institute. (3) General reciprocal agreements could be negotiated by the government with foreign governments. (4) Private reciprocities could be arranged by importers with private foreign importers providing they guaranteed that the excess imports would be paid for by excess buying of Italian products abroad.

The chief hope of this scheme lay in this last clause. It was expected that the notorious energy of private initiative would, when compelled, find ways of selling Italian

<sup>2</sup> See the report of the Under-Secretary of Corporations, Lantini, to Parliament, April 1935.



products in payment for imports. How well this may work in the long run remains to be seen, but the immediate effect was more paralyzing than stimulating. One after another the industries came to the government complaining that they could not operate without additional imports, and the government was soon compelled to relax somewhat its most drastic restrictions. The basic scheme of quotas by which the government attempted to balance foreign trade follows:

IMPORTS		EXPORTS	
(In thousands of lire)		(In thousands of lire)	
Foods	7,953	Rayon	6,225
Minerals and metals	6,969	Hats	4,249
Textile materials	5,099	Cotton goods	4,176
Hides and furs	3,721	Woolen goods	2,693
Chemicals	2,380	Fruits and food prod- ucts	4,292
Lumber	1,670	Leather and products	2,978
Miscellaneous	2,268	Silk	830
	<hr/>	Miscellaneous	4,617
Total	30,060	Total	30,060

Though this scheme could not be enforced rigidly, it was adhered to as a basis for general policy in spite of pressure from the industrialists. Adequate bilateral agreements proved to be practically impossible, and yet so-called triangular agreements were discouraged, being too difficult to control. As a matter of fact, however, Italy's trade is becoming increasingly "triangular," for, to make a broad generalization, she must buy from the north and sell to the east. Hence a policy of bilateral compensations will inevitably prove difficult. Nevertheless quite a number of compensatory trade treaties have already been negotiated, and it is probable that for several years, at least, Italian

trade will be cut to this pattern, even though it must be cut down still further. For more crucial to Italy at present than commercial prosperity is financial independence, money must have the last word. And regardless of theory, production must yield in foreign relations to credit, though in internal politics productivism may be consistently maintained regardless of indebtedness. Internally, as both nationalist theory and bitter experience teach, debts and credits can be canceled therapeutically, internationally, however, financial irresponsibility is ruinous, since nations must do business either by credit or by war.

### 3 *Imperialism*

We come now to the more strictly political aspects of Italy's present struggle for economic independence. Italian foreign policy is based not only on the desire for independence of action, but on a definite urge for expansion. The fascist state, as has repeatedly been said, is not nationalistic merely, but imperialistic. A frank and typical definition of such a state is the following: "An imperial state is one in which a people, having reached a certain stage of civilization and power, imposes its supremacy on others, either under the definite form of dominion, or by means of a hegemony exercised only in industry and commerce, or in the acceptance by other nations of the culture, art, and philosophy of the dominant people"<sup>3</sup>. In these terms Italian imperialism has at least four aspects, of which the colonial enterprise is only the most explicit and political. In addition there are commercial imperialism, which is usually conceived as aiming at supremacy in the Mediterranean (the so-called *Mare nostrum* policy), "pro-

<sup>3</sup> Renato Marzolo, *Elementi di legislazione fascista* (Lanciano, 1932), p. 104.

letarian imperialism," which consists in the contribution made by Italian labor to civilization the world over, and "spiritual imperialism," which is the acceptance by other peoples of the Roman Church and other Roman institutions. Much of this sounds like sheer bombast, and foreign diplomats, being accustomed to Italian rhetoric, did not take it seriously.

Ever since the War, France has been the constant object of attack and irritation, for France has been the chief check to Italian ambitions. Her War allies had secretly promised Italy in addition to what she obtained at Versailles, parts of Dalmatia and Anatolia and a share in the partition of the Turkish dominions and German colonies. She had been promised enough, in short, to make her confident that she would take much of Germany's place in the Balkans and the Near East and that her participation in the World War would bring to fruition her dream (that is, the dreams of her nationalists) of an extensive empire in the eastern Mediterranean, which had been the chief goal of her foreign policy since the Turkish War of 1912 and the annexation of the Greek Islands. This dream was shattered by the Versailles Peace and by the "renunciations" of Nitti and the anti imperialists. In addition France had occupied the hinterland of Libya, which Italy had hoped to control as an approach to the Lake Chad area. France refused to enforce the nationality rights<sup>4</sup> for Italians in Tunis to which she had agreed. France, after 1926, restricted Italian emigration into southeastern France, which was Italy's last outlet. France blocked Italy's diplomatic manoeuvres in the Balkans. France, in short, appeared as the arch-enemy.

<sup>4</sup> They can scarcely be called minority rights, since Italians are in the majority in Tunis.

In 1933 and 1934, however, the situation changed. In the first place, Italian commerce was consistently forging ahead in the Near East regardless of the failure of the imperialist plans, and the government discovered that it could achieve commercial without political supremacy in the eastern Mediterranean. Secondly, the economic crisis served to temper Italian ambitions and to center attention on African colonial policy and a defensive economic struggle in place of the more grandiose schemes of conquest in the East and the Balkans. Thirdly, the friction over Italian immigration into France ceased when Italy herself began to discourage emigration. Lastly, and most urgently, the German threat and the assassination of Chancellor Dolfuss caused France to seek Italian friendship and to support Italy's influence in Austria and Hungary.

Under these circumstances Italian foreign policy was considerably simplified. In place of the constant and hopeless bickering with her more powerful neighbors to the north and west and the threat of a ruinous war in case Italy exerted further pressure on Yugoslavia, Italy could now turn to the east and south, with fairly definite objectives. A clear indication that the government had decided on a plan for the immediate future was Mussolini's speech of March 19, 1934, in which he said

"Italy's historical objectives can be named in two words, Asia and Africa. South and east are the cardinal points that most arouse the interest and will of the Italians. Toward the north there is little or nothing to be done, nor to the west, nor in Europe, nor across the ocean. These our objectives are justified by geography and by history.

It is not a question of territorial conquests, and this should be understood by all, near and far, but of a natural expansion, which must lead to cooperation between Italy

and the tribes (*genti*) of Africa, as well as between Italy and the nations of the Near and Far East Italy is able to do this, its position in the Mediterranean, a sea that is resuming its historical function of connecting East and West, gives it this right and imposes this duty”

Tangible evidence of progress in this policy came when the terms of the Franco-Italian treaty of friendship (January 1935) became known Italy agreed not only to support Austrian independence against Germany but to support France if she were threatened In return, France agreed to an extension of Italian nationality rights in Tunis, ceded a small strip of desert adjoining Libya, another adjoining French Somaliland, gave Italy a 15 per cent ownership in the French railroad from Jibouti to Addis Ababa, and gave her to understand (though not explicitly) that she could have a free hand in Ethiopia Meanwhile Italy had made at least temporary peace with all the Balkan States, especially Jugoslavia,<sup>5</sup> with Poland, and with Russia In 1925, under French protest, she had already come to terms with Great Britain regarding Ethiopia, whereby the two countries agreed to respect each other's spheres of influence and Italy was to be permitted to build a railroad through Ethiopia connecting her two colonies, Eritrea and Somaliland After the Wal Wal incidents of 1934, in which a British “surveying party,” an Italian border patrol, and Abyssinian troops were involved, Mussolini became increasingly insistent And in the Spring of 1935, following the Italo-French agreement, a British commission had apparently<sup>6</sup> reached an understanding

<sup>5</sup> Mussolini said, March 19, 1934, “The problem of Italo-Jugoslav relations will be faced only when the conditions necessary for solving it have been realized”

<sup>6</sup> See the publication of the negotiations in the *Giornale d'Italia*, Feb 19, 1936, and the *New York Times*, Feb 20, 1936

with the Italian government according to which the British as well as the Italian boundaries of Ethiopia were to be "rectified" Thus the way was apparently cleared for colonial expansion in Africa

As for the League of Nations, from the start Mussolini looked on Geneva as a new center of diplomatic intrigues, rather than as an organ of international law or a guarantee of peace He expected that fundamental issues and negotiations would be dealt with by the conventional diplomatic means both within and without the framework of the League, and he felt increasingly justified in his attitude by the events of post War international relations In the Locarno Agreement of 1925 Mussolini cooperated, while in the Four Power Pact (1933) and the Stresa Front he took the initiative He relied largely on these specific treaties to bring about an understanding between France and Germany and to lead to a peaceful revision of the territorial agreements in the Peace of Versailles Though his general aim seemed to be to achieve a position of holding the balance of power on the Continent, thereby attaining a relative freedom of action, he cooperated in what seemed to him realistic measures for promoting a stable peace Since diplomacy was his own chief personal interest, he was more than willing to play the game Italy's membership in the League was therefore a recognition of its value as an instrument for negotiating revisions of the Treaty of Versailles, not a recognition of the *status quo*, to which the League was supposed to lend permanence and a juridical veneer Thus, for example, Italy supported France in admitting Abyssinia into the League of Nations in 1923 as a check to British unilateral attempts at economic penetration in the Lake Tana region The Italian government was therefore prepared for a certain

amount of reciprocal and presumably hypocritical manoeuvring at Geneva.

#### 4 *African expansion*

The Italian penetration into Africa has at least two roots. One of the popular handbills pasted liberally on town walls during fascist celebrations reads, "*In Africa c'è posto e gloria per tutti*,"—"room" and "glory," both of these are important motives. To begin with the glory. Before the disaster of Aduwa in 1896 and Crispi's consequent fall, irredentism and colonialism had little in common, were, in fact, rival programs of expansion. After that event, however, nationalism (in the stricter sense) and imperialism were merged. The new nationalists of 1905 were not only avowed imperialists but definitely bent on revenge for Aduwa. To have been defeated by Abyssinia was the last depth of humiliation. Quite apart from any economic motives, therefore, Italy had an "old account" to settle in Ethiopia, and no Italian was surprised, though the external world apparently was, by the developments of 1935. Consequently, for emotional reasons as well as strategic, Italy's first act of war was to occupy Aduwa and to claim it "permanently." After the vindication of national pride, Italian emotional tension subsided rapidly and a more businesslike interest in the Ethiopian enterprise prevailed.

Of the still more glorious dreams of Italian imperialists it is now perhaps too late to speak. Starting with the Tripoli coast as a base and extending over the vast deserts of Libya, there is a commercial route to Lake Chad, and this could be extended through Kamerun to the Gulf of New Guinea. A railroad, a motor road, and an air route have been discussed at various times as possibilities over

this territory This dream implied the extension of the Libyan boundary to Lake Chad and the transfer of the former German colony of Kamerun as a mandate to Italy France and England have shown no intention, however, of granting such demands nor of opening the "question" of Syria, Palestine, Tanganika, Togoland, or other possibilities that figure in the dreams of Italian imperialism Irak, in addition to being a member of the League of Nations, is not promising as a field for colonization, though for strategic purposes the military imperialists still wish it in order to dominate the Red Sea Such schemes of vast colonial enterprises now seem visionary because they have neither a sound economic ground nor an adequate political power behind them Even the most imaginative imperialists are now aware that an empire can not live by glory alone

Turning, therefore, to the other and more substantial motive for African colonization, "room," we must note that Italy's colonies up to 1935, though spacious, were of little value as living quarters for surplus Italians or as markets for Italian goods Having had relatively little bargaining power, Italy could win by diplomatic means only relatively worthless tracts the sands of Libya and the arid wastes of Eritrea, Somalia, and Jubaland By war she won territories strategically valuable (the coasts of Tripoli and Cyrenaica, the Dodecanese Islands, and Rhodes) but already well occupied Commercially the coasts of practically all these colonies were promising, provided their hinterlands could be developed The development of Tripoli is slow and costly and has yielded products which compete with those of Italy (except for bananas and wool) Southern Somalia, the economic possibilities of which were discovered by the Duke of Abruzzi, can produce several



## CHAPTER VII

### THE FASCIST STATE AND ITALIAN CULTURE

Whether a state is or ought to be the "spirit of a people," whether it embraces the totality of a nation's life, is a question scarcely worth debating as long as it remains a theoretical proposition, for a state may be conceived to include anything and, historically speaking, states have from time to time included practically everything. To know the Platonic idea of *the* state is an idle presumption as long as actual states continue to reveal such varied essences. The perfect ideas of the state, from Plato's to Mussolini's, are after all portraits of particular circumstances. Therefore, leaving aside the theory of the state and begging the theoretical question of totalitarianism, we must be content here to raise the purely empirical problem. How far do the activities of the present Italian government penetrate into the life of the people? In regard to the so-called economic life of the people we have discussed this question in an earlier chapter, it remains to inquire into those activities of the government which do not directly concern matters of money and markets.

#### *1. Social services*

Social legislation and insurance, which are really economic matters and might well have been discussed in connection with the work of the syndicates and the Party,<sup>1</sup>

<sup>1</sup> In this connection the social services of the Party should be taken into account. Especially valuable are the numerous summer camps established for the poor of the cities. See p. 46.

can be dismissed with a brief mention, not because they are insignificant but because they are similar to those of other European states. In recent years there has been an orgy of social insurance, public and semi-public insurance agents have sold policies wholesale to unsuspecting laborers and peasants, until the whole insurance scheme has been suspected of being virtually a tax to provide ready capital for the government. The new law which goes into effect in July 1936 provides a uniform system of compulsory accident and sickness insurance for employees, administered by a state accident insurance company. This insurance must be provided by all employers, and it is unlawful for them by wage reductions or any other means to pass any part of the expense on to their employees. There are also national institutes for the prevention of accidents and disease, for public health in general, for a particularly vigorous campaign against tuberculosis, for aid to mothers and infants, for state employment bureaus, unemployment insurance (which is very inadequate), and old age benefits. The Labor Charter makes the syndical confederations responsible for developing these activities, a large part of the support of such institutes comes directly from the syndicate dues, and syndicate officials are on their governing boards. Undoubtedly further reorganization of these agencies will be required before a permanent and satisfactory system of social service is realized. One institute is sufficiently distinctive and important to require separate mention, the Opera Nazionale Dopolavoro (National Association for Recreation After Working Hours). The Dopolavoro antedates fascism both in the form of private initiatives in large industries and as a nation-wide organization. In 1925, however, it was elevated to the rank of a public institute and is now supported by syndicate dues. It has

developed enormously, first among public employees, then among industrial workers, and lastly as a general agency for the promotion of public health, athletics, entertainment, and recreation facilities

## 2 *Education*

In the field of public education, too, the Italian government resembles its neighbors. Public education is compulsory for all Italians, but its extent varies considerably with local circumstances. In the rural regions the children go to work in the fields after only four or five years of the most elementary schooling, whereas in the large cities they continue through what corresponds to the American High School, and a large proportion enjoy the advantages of public trade and professional schools and universities. Fascism at first sponsored a vigorous educational reform under the direction of its first Minister of Education, Giovanni Gentile. This reform centralized school administration and state examinations, revolutionized the curriculum and methods of teaching, and in general attempted to establish a high level of individual achievement both among the students and the teachers. Standardization was demanded in primary and secondary schools, but the universities were encouraged to develop freely along distinctive lines of scholarship. Emphasis was placed on history, art, religion, and the other elements of national culture, rather than on the technical sciences and disciplines. In short, to use the slogan of the Gentile reformers, the school was to be formative rather than merely informative. Little now remains of this reform. Being intended to reform teachers, it naturally incurred their resistance, and embracing a radical program of religious education, it naturally incurred the hostility of the

Church<sup>2</sup> Fascism's desire for popular support and its reconciliation with the Church spelled the doom of the major part of the Gentile reform. A minimum of conventional religious instruction, supervised by the Church but given by the regular public school teachers, remains in the curriculum, otherwise the schools continue much as they were before fascism. The universities have been completely "fascisticized" along with the secondary schools. Several distinguished professors lost their chairs because of their refusal to take the oath of allegiance to the regime (notably Croce, Orlando, and Ferrero), to say nothing of the larger number of scholars who were forced to flee the country for their anti-fascist activities. What contributions fascism has made to education are in quite the opposite direction from the Gentile reform, namely, in an extension of the opportunities for vocational and professional training, and in a great enthusiasm for physical education. The development of physical education, systematic sports, and athletic ideals was undoubtedly a major achievement and a wholesome emphasis under post War conditions. To be sure much of this physical training has military characteristics and serves military purposes. But it is not merely nor even primarily military. Its chief functions are to provide a non political form of public passion for Italian youth in place of class antagonisms, and a healthy out-door life to diminish the sickly fruits of pri-

<sup>2</sup> The Papal Encyclical *Representanti in terra*, Dec 31, 1929, was a direct challenge to the theory of state education as conceived by Gentile and a reassertion that all true education must be Christian. The state has, of course, not yielded to the Church on this fundamental issue, it has merely compromised. Though Gentile's writings have been placed on the Index, he still holds important offices in the state, and his reform has never been officially repudiated.

vate passion. The success of this program in promoting the moral and physical health of the rising generation is little short of spectacular. Numerous organizations in addition to the public schools have cooperated in this work, notably the Dopolavoro, the Fascist Party, and the Olympic Games Committee. The Mussolini Forum in Rome, with its gymnasia, baths, athletic fields, and stadium, is a heroic symbol of the government's interest in athletics, and almost every other Italian city has a new and capacious athletic center. Public enthusiasm for sports is everywhere evident.

### 3 *The press*

The sphere into which the fascist government has penetrated to a revolutionary degree is journalism. Practically speaking, the government is the news editor of the country. The official justification for this government monopoly is that an uncontrolled press is not a public press but an instrument of private interests or factional intrigues. The real issue is, therefore, whether the government or other interests should mold "public" opinion, for, strictly speaking, opinion is never public, it is either private or official. The government naturally regards itself as the most responsible agent of public interest and therefore asserts its right to treat the press as a public utility. Without entering upon the merits of this argument, we may at least note the actual consequences of its adoption. The number and circulation of newspapers has not been reduced, in other words, people continue to buy them (the price is negligible). The larger dailies have been reduced in size by government order, six pages now being standard for all papers, but this might have come about for economic reasons even without government regulation. There are always the sport page, the local news page, and

the "literary" page, with which the government is little concerned and which are sufficiently interesting apparently to sell the paper, for reasons which I have never been able to fathom especially in Italy where the "funnies" are not included in the regular newspapers. The financial news is very brief. The stock-exchange reports may be suppressed occasionally when the government thinks hostile speculation is excessive. When the gold crisis became acute the government suppressed the customary Bank of Italy reports entirely. General news, what there is of it, both domestic and foreign, is remarkably concise, usually consisting of the bare dispatches, but it is meager less because of government repression than because Italian newspapers never have been able to afford extensive reporting service. Internal political news is handed out directly through the Ministry of Press and Publicity and is practically uniform in all papers. On the whole, this news is more reliable than that in most private newspapers in the sense that it tells fewer positive lies. Readers usually have little reason to disbelieve what is printed, but they naturally have an insatiable curiosity for what has not been printed. It is the suppression of news, rather than its deliberate manufacture, that constitutes the chief weakness of the government press and creates a flood of whispering and conjecture that is more dangerous and irresponsible than frank publication would be. For the government is not so corrupt that it needs to go into hiding, and usually the suppressed news concerns petty scandals or failures rather than damning revelations. Bootlegged news has the same qualities in Italy that bootlegged liquor had in the United States, it is usually raw, violent, and unreliable but exercises a strange fascination on the mind and, if indulged in too freely, utterly bewilders the imagination. The air of

having secret information, the knowing shrug of the shoulder, and the eloquent silence that characterize fashionable Italian conversation are symptoms of this prohibition disease, and they corrupt private morale and opinion more than the suppressed news would have corrupted public.<sup>8</sup> The fact is that this thirst for hidden truth characterizes only the most educated and the most ignorant classes of the Italian people. The middle masses are resigned to ignorance, profess indifference to political issues, and pay little attention to headlines, editorials, and front-page propaganda.

This is the most striking effect of the government monopoly of the newspaper, that political discussion has been removed from the realm of so-called public opinion and has been transferred to those circles and their publications to whom it is a technical, professional concern. It is not true that significant political debate has been wiped out in Italy. The fascist motto, "We welcome criticism but not opposition," is not a mere sophism but an important distinction. General opposition to the regime continues to be crushed whenever it shows its head, but detailed criticism goes on daily to an extent little appreciated by

<sup>8</sup> There is an ancient belief, cherished by philosophers and feared by authorities, that truth will make men free, but there is little concrete evidence to substantiate it. To be sure, the power that comes from science gives freedom, but only through cooperation. The effect of truth is compelling and binding rather than liberating. Truth binds minds together, as opinion separates them, and authorities that rely on truth are usually more secure than those that rely on force or indoctrination. Secrecy could more readily be justified in democracies than in governments that are not dependent directly on public opinion and whose strength lies ultimately in their technical ability, that is, in their capacity to find and use truth. Certainly a government that has condemned private editors for preferring self-interest to truth can ill afford to follow their example.

those naive foreigners who imagine Mussolini literally dictating all day long to everyone. Mussolini listens more than he dictates. His decrees are rarely initiated by himself but represent decisions, usually compromises, made after a period of active discussion among those concerned. Nor does this discussion always terminate when the decision is announced. Decrees do not have the finality in fact that they have in form. Some of this debate, to be sure, is conducted behind closed doors, but enough of it is published in scientific and professional journals, reports, and books to enable the technically competent to participate in the expression of conflicting points of view and to influence the decisions of the government. The critical discussion of political problems, in short, is the concern of relatively small groups.

Newspaper editorials must not be confused with such discussion. Occasionally an article in the *Corriere della Sera* (Milan), the *Stampa* (Turin), the *Lavoro Fascista* (Rome), or some other influential paper may have critical value, and occasionally an editorial in the *Popolo d'Italia* (Milan) or the *Giornale d'Italia* (Rome) may have the force of an official pronouncement, but as a rule the newspaper editor is neither a government spokesman nor a frank critic, he is an ambitious politician trying loudly to please the government. The government, in turn, finds it useful to observe reactions to the various editorial outbursts. Thus the newspapers serve a double function, providing a training ground for fascist politicians and a flying ground for "trial balloons" of policy.

#### 4 *Art and taste*

Early fascism was closely allied with futurism, and an influential group of fascist journalists and artists have



hoped persistently that the new regime would also mark a new departure in Italian culture. The expectations of this group have been somewhat disappointed, for fascism has not succeeded, at least not as yet, in working a revolution in art and taste. Instead of remaining an advance guard of youth, the Fascist Party within a few years succeeded in embracing everything. Everyone flocked into the ranks of the victor, especially those who had something to lose. As a result the fascist label has been applied to practically everything, and the movement has gained in catholicity what it has lost in inspiration. All kinds of persons now wear the fascist pins, and every enterprise is automatically called fascist. Thus the term has lost practically all its distinctive meaning. Fascism has become Italian, not Italy fascist. Hence it seems clear already that whatever re-birth of art and letters may come will derive its physical resources rather than its inspiration from fascism. The government and the press are generous indeed in "encouraging" fascist culture, but the mass of uncultured propaganda and absurd pretensions that floods the land is in itself no sign of promise. What few notable achievements in painting, literature, and music have been made recently have their inspiration in France more than in fascism. In spite of this decline in its revolutionary spirit, it may be still too early to judge fascism's cultural fruits. After all, a people can not be made over in a day, and the next generation may show more certain signs of a *risorgimento*.

There is one notable exception, however, to all this—architecture. In this field achievements are already conspicuous. The enormous public works program gave the government an exceptional opportunity to create useful monuments to fascism, and had it entrusted this task to

recognized artists and popular taste the results would have been quite conventional. In fact, the early public buildings of the Fascist Regime have little except the fascist emblem to distinguish them from the works of its predecessors. With increasing confidence and boldness, however, the government has favored the work of younger architects, whose experiments embody some of the romantic futurism of fascism. On the whole, fascist architecture is inspired by the modern architecture of northern European countries and by modern industrial building materials rather than by ancient Rome or classicism. Popular taste has not been prepared for such innovations, and the government has persisted in its modernistic course despite protests and disfavor. Of the many examples of this revolution in architecture three might be mentioned as outstanding: the railroad station at Florence, the severe beauty of which is certainly not Florentine, the new plant of the University of Rome, affording a daring exhibition of the difference between fascist Rome and the Romes of the Colosseum, of St. Peter's, and of the Victor Emmanuel monument, and the town of Sabaudia, erected on the land reclaimed from the Pontine Marshes, one of the finest expressions of fascist genius not only as architecture but as a social ideal in general.

### 5 *The realm of faith*

The relations between state and church have been discussed above.<sup>4</sup> I wish here to discuss briefly the less tangible relations between religion and political faith. "*Credere, obbedire, combattere*" sounds like a Christian battle hymn. This popular fascist slogan is but one of innumerable expressions of the faith that has gripped the minds

<sup>4</sup> See above, pp. 17 ff.

and emotions of Italian youth. Whether one should call this a religious faith or not is largely a matter of terminology. The point is that the Church and the Christian faith have a comparatively slight and probably diminishing hold on the real interests of the rising generation. The fact that the fascist faith is not hostile to the Church but incorporates the Christian tradition and rites as an element, a minor element, in its own version of the spiritual life of Italy makes the clash in points of view all the more evident. For the Church, being super-national, regards itself as more catholic and as a higher moral authority than the national state, whereas fascism recognizes no moral superiors. At present the Church is relying on the policy of boring from within, hoping gradually and stealthily to regain some of the popular enthusiasm and loyalty of which fascism has robbed it. The Italian bishops are, for the most part, openly patriotic and court the favor of the government, while the Papacy maintains a discreet, occasionally critical, neutrality. Whether such tactics will succeed remains to be seen. In any case, the Church can count on a long life in Italy, even if not a glorious one, whereas fascism's career is by its nature heroic and stormy. At present both doubt and faith are largely political categories, and the Church survives in the habits rather than in the minds of the Italian people.

Mussolini said in his address of March 19, 1934: "Religious unity is one of the greatest powers a people can possess. To endanger it, or even to dent it, is to commit a criminal injury to the nation." Though this was said *a propos* of Protestant proselyting and anti-clericalism, it might be applied in other ways. One might say that what unity of faith Italy possesses today it owes more to fascism than to the Church. Political unity failing, there would

still remain the unity of the Church, possibly a religious unity, but such a unity would almost certainly be eclipsed by the clash of rival political faiths

According to the Church each Italian individually is or ought to be a member of a universal community of saints which finds its consummation in the eternal peace of God. According to fascism all Italians collectively are a sovereign spiritual unity engaged in a struggle for existence with other peoples. Though it appears possible to reconcile these beliefs in theory, it is difficult to reconcile these faiths in practice. They imply conflicting loyalties and sacrifices. The teaching of Christ, of Dante, and of many reformers in the Roman world, that money belongs to Caesar and love to God, is repudiated by both church and state and has never proved a practical moral platform. For men are more apt to practice that other Christian saying "Where your treasure is, there will your heart be also."



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*Atti Parlamentari* and *Bollettino Parlamentare* See especially the reports (*relazioni*) of the various Ministries

*La Gazzetta Ufficiale* Publishes the decrees and laws

*Sindacato e Corporazione* (formerly *Informazioni Corporative*), a monthly bulletin published by the Ministry of Corporations containing collective contracts, reports of corporations, corporative legislation, economic statistics, etc. There are other valuable publications of the Ministry of Corporations, especially its other periodical *Diritto del Lavoro*

*Annuario Statistico* and *Bollettino Mensile*, containing the official statistics gathered by the Central Institute of Statistics

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## ACKNOWLEDGMENTS

Both expediency and space forbid that I name the various friends here and in Italy who have given me generously of their information and criticism. I am especially indebted to several of my colleagues at Columbia University and to officials of the Government and in the Confederations of Industrial Syndicates at Rome, to whom I wish to express my thanks. I shall always feel grateful to the Italian people in general for the hospitality and courtesy they have repeatedly shown to this inquisitive and ignorant foreigner.

H W S





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